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**WHAT IT WILL BE LIKE**



WHAT IT WILL BE  
LIKE

IN THE NEW BRITAIN

*by*

RICHARD ACLAND

LONDON  
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1942



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## INTRODUCTION

UNLESS Nazi resistance unexpectedly crumples, we cannot build a war-winning machine merely by making structural changes in our society. And in any event we cannot secure a stable peace merely by making structural changes in our domestic and international organisation. "Maximum prosperity in prolonged war, and prosperity and harmony in peace, cannot be obtained merely by economic devices."<sup>1</sup>

Because they ignore this truth, many people who are sincerely thinking about our war and post-war problems are not even asking themselves the right question. In the last resort it will be found that they are asking "What kind of organisation could be run successfully by the sort of people we were in 1939?"<sup>a</sup> To this question there is only one answer. No organisation of society could be run successfully by the sort of people we were in 1939.

In order to succeed we must create a new social atmosphere, we must think of ourselves in a new way, we must live for new motives. We must become new people.

I would not have it thought, however, that I offer any sympathy or support to those who say that a change in the nature of the individual man and woman is in itself the only *and the sufficient* means of our salvation. There are many sincere people who tell us that if only we were all good it would not matter what the structure of our society might be, since any structure could then be operated successfully.

This is not true. For some of the features of our present society, "while they can never prevent individual men and

<sup>1</sup> Part of a Resolution passed by the 1941 Committee Conference in September 1941.

women from becoming Christians, are contrary to divine justice, and act as stumbling-blocks making it harder for men to live Christian lives".<sup>1</sup>

Indeed, we face a double problem. We must become different individuals in order that we may have a chance of operating some system of society with success; and at the same time we must change the structure of our society in order that we may have a chance of becoming different individuals.

In the last two years, in writing and in speech, I have argued that there is no chance at all of our living in the new atmosphere, of our advancing into the new age, unless and until the great resources of our community are owned in common. I do not intend, in this book, to deal at any length with fundamental issues. I intend to try to describe the new society as it may be. But so that the book may be complete in itself, it will be necessary to restate, however briefly, the fundamental argument which leads to this conclusion.

While the great resources of this country are divided up into share certificates and other documents of title, and while these can be privately owned, men will try to own them. I do not say that all men will try to own them, but most men will do so.

It is no use suggesting measures of public control so as to limit individual power, or of taxation so as to limit individual income. For even if these measures were successful in their avowed purpose, none the less while the paper certificates conferred on their owners any income, however small, and any power, however little, most men would still seek to own them.

When many are seeking, some will succeed in owning most.

Of those who succeed in owning most, the following things will be true.

<sup>1</sup> Part of the Resolutions of the Malvern Conference.

They will be regarded as being "at the top" of our *economic* society.

They will set their tone to the society "under" them.

They will have spent their lives seeking to own property for themselves, and therefore necessarily considering their own interests. On the whole those who succeed in owning most must necessarily be those who have, at each point in their lives, most successfully answered the question, "What does this mean to me?"

Therefore these men must set a self-regardant tone to the society beneath them.

I am not going to insist that the motive of self-interest can ever wholly disappear, although I believe most people will be amazed at the extent to which it will disappear. But if we are to succeed we must create a social atmosphere in which the motive of service to our fellow-men takes precedence over the motive of self-interest, and not vice versa as in 1939. It is impossible for the 90% of us who are "in the middle" or "at the bottom" to live for a predominantly service motive if the great majority of the 5% "at the top" have been living their lives predominantly for self-regardant motives.

Putting it in more positive form, if the brickfields the cement works the steel factories and the land on which we work are ours, then we can work together in a wholly new spirit for the rebuilding of a nobler country at the end of the war. But as long as they belong to someone else who, however we may control him, will none the less be just a little richer whenever we work harder, then we are bound to ask ourselves, first and foremost, "What do I get out of it?"

I have been advocating precisely this argument now, with growing success, for about two years. During these two years many men have said to me, "Oh yes, yes, yes; but . . ." and have then embarked on some quite other line of thought. Not once has anyone taken hold of this argument and attempted to show where any part of it is wrong.

But while I have been arguing in this way I have been asked at more and more frequent intervals, "What about the details? This is all very well, and fundamentally we quite agree, but how will it all work out in practice?"

For a long time I have refused to make any attempt to deal with these questions. And there were, and still are, many good reasons for refusal.

To begin with, the fundamental argument ought to be enough. Oliver Cromwell did not foresee all the details of free capitalism. He merely knew, from first principles, that it must be better than feudalism. So we, without forecasting any of the details of Common Ownership, can be certain, from first principles, that it must be better than giant capitalism.

But in addition there are great dangers in offering details. It is much easier for opponents to fasten upon some small detail than upon the fundamental principles, and in the end it is only the fundamental principles which matter. By offering details we enable our opponents to step down from the broad open plains of principle (on which up to now they have been unable or unwilling to offer any opposition), and to descend into the little byways of argument in at least one of which they may seem to be locally successful. Indeed, they may be able to prove, and to force me to admit, that some one or more of the solutions I offer for particular problems are wholly unworkable. They will then seek to suggest that since the proposals for, say, the control of the Press are so fantastic, therefore Common Ownership in its very essence stands condemned.

Such an argument could only be successful if it were supposed that I regard any one of the suggestions I make in this book as sacrosanct. I do not. I am certain of one thing and one thing only: that Common Ownership, in one or more of its possible forms, gives us an opportunity of creating a harmonious and prosperous society, while private ownership, in all its forms, does not. But I would not die in the last ditch

for any of the proposals I make in this book. It is a mistake to assume that once we decide that the great resources must be owned in common we have thereby committed ourselves to one, and only one, set of solutions for all the detailed problems that arise. There will be innumerable problems, both of detail and of principle, and to all of them there will be several different possible answers. All I do in this book is to offer one set of answers. It is quite certain that all will be improved and some will be rejected as a result of further discussion amongst people who believe in the fundamentals of Common Ownership.

Also in the course of this book it is bound to become obvious that I have not had detailed personal experience of some of the problems with which I deal, and have not taken account of some of the most advanced opinion upon others.<sup>1</sup> The answer to such charges is that I do not profess a specialised knowledge on individual points. I can only offer a layman's general picture of the whole; and over and over again I shall take the argument to a certain point and then insist that further details can only emerge as a result of the advice and experience of those who have spent their lives dealing with each of many particular problems.

But in the face of all these dangers it seems to me important to try to give some general picture of Britain as it will be when all the resources are owned in common. For one thing, Common Ownership in this country is much nearer in point of time than most people suppose. Therefore, even when

<sup>1</sup> I have endeavoured in some measure to make good my lack of industrial experience by discussing a preliminary draft of this book with most of the departmental managers and sub-managers of a considerable engineering works. They have criticised in detail, and though finally responsibility for what follows is mine alone, I have incorporated many of their suggestions. Most of the supposed authorities on the state of public opinion would, I think, have been surprised at our meetings. For I used to sit, surrounded, as I am sure they will not mind my saying, by hard-bitten successful business men, all of whom earnestly desire a Britain without large property-owners, and all of whom sincerely believe it will work.



further argument shows that the solutions I offer are wrong, it is still important that something should be put down in black and white, so that people may see where the practical problems lie, and so that there may be something around which argument may centre and from which the right solutions may emerge.

But more important than this, nearly a hundred years of argument and counter-argument around and about Socialism have established, in the minds of most men who think about it, a mental picture which I believe to be very different from the reality as we shall in fact know it. I am not saying my own picture will be found to be accurate in every respect, and I have been at pains to insist that in many respects it will not. But I do believe that in general it will be found much more accurate than the picture which most people have in their minds when they talk of "Socialism".<sup>1</sup>

For example, it seems to be assumed that Socialism must mean a greater regimentation of our lives. So much is this so that many advocates of Socialism deliberately seek to balance the advantages of greater production, or greater justice, or both, against the alleged disadvantages of regimentation. I am absolutely certain that Common Ownership can mean a vast liberation, a vast increase in the liberty of each man to make up his own mind about his own immediate economic problems, and I think we have failed to see these possibilities

<sup>1</sup> It is for this reason, amongst others, that I have preferred to use the words "Common Ownership" instead of "Socialism". Some people have accused me of thereby confusing the issue, for of course "Common Ownership", like "Socialism", means that the existing owners will be bought out on terms which we shall have to decide, and that all the great resources will be owned in one way or another by the community as a whole. I may be wrong, but it does seem to me that when there has grown up around a particular word a rather definite picture which does not correspond to the fact, it is a simplification to adopt a new word, rather than to try to persuade people that the old word does not mean quite what they supposed. However, I regard it as certain that a great many individuals and organisations now working on more or less the same lines as those of this book will shortly find an organisational unity, and whenever this happens I shall not insist on my own choice of words against the view of a majority.

largely because when we use the word "Socialism" we see a picture of something quite different from what we shall actually find.

In particular, we see a picture of something which is terribly un-British. I have said that we shall have to change, as individuals, if we are to succeed. By this I do not mean that we have to give up the essential characteristics of our race. We do not have to cease to be Englishmen, Scotsmen or Welshmen. In George Orwell's book, *The Lion and the Unicorn*, you will find a penetrating analysis of the national characteristics of British people—characteristics which in no way depend on our economic organisation, characteristics which will remain unchanged while we adopt the appropriate economic machinery of the twentieth century, just as they remained unchanged throughout the changes of the last three hundred years.

Orwell presents us with a problem. We have to find, he says, the particular shape of Common Ownership which adjusts itself to the particular genius of the British people. It is to this problem I have tried to find an answer.

But I must end this introduction as I began.

This book will describe political and economic machinery. But it is not political and economic machinery which will save us. We shall be saved by our determination and our ability to become different men and women from the men and women of 1939. If we have neither the determination nor the ability we shall fail.

I believe the change which must be made will be found to be fundamentally religious in its nature. I hold the view myself, which I do not want to press on those who are not prepared—or are not yet prepared—to accept it, that in the course of this change great numbers of people will need to find, and will find, an entirely new faith in God.

For my reasons for this belief I must refer the reader to the last chapter of *The Forward March*. I do not believe it is very useful for me to press this view on other people. If someone says

he does not believe Common Ownership is necessary for our success, then I am willing, and I believe able, to show him, by arguments outside himself, that he is wrong. But if anyone says that he does not believe that a faith in God is in any way important, then I find from experience that any argument from outside which I am able to put forward has remarkably little effect. From the point of view of immediate action it certainly does not seem to me essential to insist that everyone shall share my view on this point. For I have never had any doubt that in practice there can be the closest co-operation between those whose actions are based on belief in God and those who, without that faith as yet, can found their activities on that which reason tells them is in the widest interests of mankind as a whole.

The economic and political changes which I propose will not automatically give us the determination and the ability which we require. We must produce these things within ourselves. But our task does not lie wholly in the future. Within ourselves a great part of the change has already been made. Millions of us are already living in a entirely new atmosphere in relation to the alternative motives of individual gain and communal service. Our task is not to turn and move in a new direction, but to go further in the direction in which we are now moving.

Of course we have done all this before. In the last war millions lived for a new motive—and it was a splendid experience. They expected it to last into the years of peace. But it did not do so. They returned, or were dragged back, to the old motives. This must not happen again. And this is why we must change our economic and political system.

*Note of 1941 Committee Conference*

I have quoted and will quote resolutions passed at the 1941 Committee conference, because I think it interesting and important that this particular conference passed these resolutions. It must be remembered, however, that the Conference was a meeting of individuals, and not of representative delegates, and the *policy* of the 1941 Committee is to be found not in these resolutions, but in the publications of its council.

## CHAPTER ONE

### THE PAST, THE PRESENT, AND THE NEW

**T**HIS short book cannot contain an economic history of the British people. But as a part of our background we ought to distinguish four different stages in our development.

We lived under the feudal system at any rate from the Norman Conquest until a date between 1450 and 1550.

Though some feudal communities may have continued to exist, and though the Civil War was yet to be fought, feudalism by 1550 had been substantially broken by free capitalism. But the new capitalism mainly affected trade and commerce. It was commercial capitalism, coupled with something very much like the present landlord system in agriculture, which dominated our economic life until the middle of the eighteenth century. Throughout this period industrial methods, taken as a whole, remained virtually unaltered, and industrial organisation only changed in that the independent workman owning his own tools and materials tended progressively to give place to the workman hiring his tools and materials from some wealthy trader.

Between 1750 and 1850 came the Industrial Revolution. Extending these dates only a very little, we can surely say that the world of 1880 would have been more incomprehensible to the men and women of 1720 than would the world of 1720 to the men and women of 1066 A.D.—or B.C.

This unique period in world history was the heyday of the independent industrial owner. He worked against a general background of universal expansion. The process of discovering the virgin territories of the world and opening them to

Western European trade pressed forward to its inevitable conclusion. The white population of the world doubled every twenty-five years. And all the time came the growing torrent of employment-giving inventions.

So vast were the opportunities for making profit on capital, that even though nothing was done unless a profit was made for the individual owner, it was, at most times, difficult for any substantial part of the industrial resources to remain unusable.

And the whole industrial expansion was directed by "little men". They made enormous profits. But they accepted unlimited risks. They managed the factories they owned. The men who drew the profits understood, and often themselves invented, the machines from which the profits were made. Competition was fierce and genuine. Each of a vast number of independent entrepreneurs made his own decisions in ignorance and independence of the decisions made by a host of rivals. And although the whole process led to great inequalities and thousands of acres of slums, it did get the work of the world done.

Curiously enough, immense numbers of people conduct their thinking about the economic and political problems of today as if we still lived in this age of unlimited expansion directed by thousands and thousands of small men each managing the little business which he owns. As a fact, this stage has passed away; and even though the reader may know of a hundred small men running their independent businesses, this does not alter the fact that the fundamental pattern of our economic life is not determined by such men as these.

From about the middle of the last century there began to emerge upon the economic scene the share certificate and the limited company. Unlimited individual risk gave place to limited liability. The individual owner of a factory gave place to a host of owners of share certificates. The overwhelming majority of these shareholders knew nothing about the indus-

tries they "owned". They exercised no control whatever over the policies pursued. The whole of this control passed into the hands of a very few owners of the biggest blocks of shares and their immediate friends.

And these giant controllers ceased to have any relation with the technical efficiency of the industries they controlled. All the problems of technical efficiency passed into the hands of salaried technicians whom they employed as their servants. From 1750 to 1850 private ownership of factories had been intimately related to the technical efficiency of our economic resources. From 1850 onwards the ownership and management of share certificates became more and more divorced from all problems of efficiency. It became an art of its own, common to all industries. Thus the skilled engineering technician could not quickly master the technical problems connected with the textile or the oil industry. But the owner of the shares in iron and steel would fall on his feet in a couple of days were his shares suddenly transformed—as indeed they often are—into shares in oil or cotton. The owner of the individual factory from 1750 to 1850 had mainly been asking himself, "What technical changes in this factory will most increase my profits?" The controller of the share certificates from 1850 onwards has mainly asked, "What manipulations of share certificates or general changes in output policy will most increase the capital value of my holding?"

From the middle of the nineteenth century to the present day the largest units have steadily tended to grow in size. Smaller units have steadily tended to disappear. In most industries it is technically incorrect to speak of monopoly capitalism, if this is taken to mean the legal ownership of an industry by one firm. But in almost every industry of any importance it is quite correct to speak of giant capitalism, as meaning that the whole control of the general policy of the industry has passed into the hands of an almost unbelievably small group of men who own the biggest blocks of shares in the most important companies concerned.

So much is this the case that Bearle and Means in their *Modern Corporation and Private Property* calculate that 50% of the industrial capacity of the United States is controlled by about 2,000 individuals, and that perhaps as many as one half of these have delegated all powers of decision to others within the same group. So that in the end control is in the hands of 1,000 men—or .0006% of the population. And this is called democracy. It is not democracy. It is industrial feudalism, and feudalism not at its best, but at its worst.

For we must notice that this new organisation of industry works within a world which is itself substantially different from the world of 1750 to 1850. Those were the years of unlimited expansion. But since about 1880 there have been no new virgin territories to open up. Since about 1890 the white population of the world has ceased to double every twenty-five years. And though we have made some notable employment-giving inventions, such as wireless, motor-cars and films, these cannot be compared in importance, from an employment point of view, with all the development of textiles, railways, steamships and heavy industry in general which took place between 1750 and 1850.

It is important, then, to realise that there is no truth whatever in the suggestion that the present system always has worked and therefore ought to be capable of working again. The present system is of very recent growth.

Though it may not have been proof against the searching criticism of Karl Marx, and though it certainly repudiated the fundamental teachings of Christianity, there was at any rate an arguable case, both in morals and in expediency, for the system of the independent factory-owners. It could be argued that their efforts to enrich themselves must, on balance, enrich the community. Their operations thrived upon and produced an atmosphere of general national enterprise.

But no one has ever presented a case for the present system,

either in morals or in expediency. Nor is such a case possible. Our interest—the interest of humanity at this moment in history—is that production be pressed to the maximum possible physical limits. Their interest—the interest of the self-selected nominees of the biggest shareholders—is that supply should always fall a little short of demand. And they control the whole. We have no power over them. We are allowing ourselves to be controlled by those whose interests are almost diametrically opposed to our own.

Thus in almost every crisis in our economic affairs the controllers of our economic life have persuaded themselves, and persuaded governments and peoples, that the best way of making us all richer is to organise the deliberate production of less.

Men are out of work, factories are idle, raw material is unused, men are in want. Why? Because it would not “pay” to put the men to work in the factories to turn the raw materials into finished goods. It would not pay whom? Obviously it would pay us, the people of the world, to have more men employed, more wealth produced. But it would not pay them—the owners of the share certificates—and theirs is the final word.

So they close “redundant” shipyards, dismantle textile machinery, “rationalise” rubber, burn coffee and pay men not to produce pigs. In these last months a secretary of a prominent motor manufacturing association came to see the secretary of a political organisation to press upon him the view that the only way of preserving prosperity after the war would be to dump half a million motor vehicles into the sea.

Not only does this system fail to use the whole of our productive resources; it also uses them to produce the wrong goods.

The wrong goods are being produced when we find shops filled with every kind of luxury in a country in which many lack the most elementary essentials of human life. Yet this happens in our society because the lightest whim of the rich



exercises a greater pulling power on the productive resources of the community than the crying need of the poor.

And, finally—since the big shareholders must be richer if their government can secure entry for their goods into wider territories—the present system must be a powerful cause of imperialism, which, in its turn, is a powerful cause of war.

It is time to end this system.

Indeed, the desire to end it is deep rooted in our history. For though, as I have insisted, we have lived under four different economic systems in the last thousand years, these four systems have had one thing in common. They have all produced the most glaring inequalities: city magnate and unemployed miner, factory-owner and child worker, merchant prince and handloom weaver, baron and serf. All down the centuries the story of the long struggle of the British poor against this age-old inequality, the story of their many hopes, their brief triumphs, their disappointments, their victories over one tyranny leading only to the emergence of another, is saved from tragedy only by the majestic fact that our people have never despaired. The idea of Common Ownership is not imported from abroad, but has its roots in our own past. The peasants revolted against the land monopoly of the feudal barons, and Winstanley, leader of the Diggers in 1650, could have been speaking at this very day:

“This *Commonwealth Freedom*”, he said when Royalist plotters were preparing to invade this country from the Continent, “will unite the hearts of Englishmen together in love; so that if a foreign enemy endeavour to come in, we shall all with joint consent rise up together to defend our joint inheritance, and shall be true one to another. Whereas now the poor see that if they fight and should conquer the enemy, yet either they or their children are like to be slaves still, for the gentry will have all.”

It is true that the growth of the idea has not been continuous. Often for many decades it has disappeared. But the roots of the world-wide struggle to end all the inequalities

which rest upon ownership are to be found not only in the soil of other countries, but also in our own.

In recent years the advocacy of Socialism in this country has lost the moral enthusiasm and fervour which it had even thirty years ago. It has laid, not indeed the sole emphasis, but, I think, too much emphasis, on the immediate economic benefits which the individual voter may expect to gain from a vote for a Socialist candidate. There is every indication that we are today re-discovering the moral and ethical basis for our case. It is for this reason that I believe we shall succeed.

We will establish a system which is guided in the last resort, not by the power of money, but by the will of the people.

We will decide what we want to do, and will do it.

We will decide what we want to produce, and we will produce it.

It may not always be easy for us to decide, and many will say that, on many occasions, we have decided wrongly. Those who never suffer from ill health may demand more dance-halls and fewer hospitals. Others may ask for fewer books and more beer—or, alternatively, for more books and less beer. We cannot expect that everyone will at all times find himself 100% satisfied with our choice. But we shall decide what to do; we shall then look out upon all our resources; and we shall decide how to do it.

If we want bricks, we shall not ask, "How, by subsidy or otherwise, can we create the conditions in which someone else, in the pursuit of his own interest, will produce bricks?" We shall put the much more straightforward question, "How can we, the people, produce bricks?" If we want to re-equip the cotton industry with up-to-date machinery, we shall not ask, "How can we create the conditions in which someone will find it profitable to himself to put in new machinery?" We shall put the much more straightforward questions: "What sort of machinery do we want? Who can make it? And where?"

The income which each individual receives will not depend on the skill with which he extracts an income from the community. It will depend on our common estimate of his needs and of the contribution which, by his services, he renders to the community.

We shall not throw men into unemployment merely because the balance sheet relating to the particular factory in which they work does not reveal a cash profit. We shall know that, whatever the nature of their work, they must be making a greater contribution to the well-being of the community than if they were not working at all. In consequence, all men will be able to go on doing whatever they are doing unless and until we can offer them work by which they will be making a yet greater contribution to our common good.

Moreover, our society will be teeming with activity. When we draw up a list of all the things we want done, it will be so great as to absorb far more than the total of our productive energies for many decades to come. We shall never have to ask the fantastic question, "What can we find for these men to do?" Rather we shall always be pressed up against the thrilling question, "How on earth are we going to find the men to do all the things that need doing?"

If within some measurably short time we have exhausted all the things that can usefully be done in our own country, then we can reduce the hours of labour and enjoy an immense development of the cultural sides of our lives. If we are not yet ready or willing to do so, we can still find at least a century of active employment. For it will take at least 100 years at eight hours a day to produce all the goods required to bring up the standards of backward peoples to that which is desirable; and we may feel called upon to repay some of the debt we owe them for the universally higher standards of living which we now enjoy and have enjoyed in past centuries because of their exertions.

It is the purpose of this book to show how a society which gives us these advantages will work, and how we shall

control it, and how each man will find his own place within it.

But I face an immediate difficulty.

I have to describe economic machinery. But most people find it difficult to concentrate on the problems of economic machinery until certain other questions have first been disposed of. I find them asking one or more of the following questions:

"This is all very well, but how are you going to prevent the whole thing from falling under a political dictatorship?" "What measure of compensation are you going to pay to existing owners?" "How are you going to prevent the total decay of leadership which is associated with Government enterprise?" "Are you talking about war or peace?"

These are important and relevant questions, and it is quite impossible to give undivided attention to questions of detail while they remain unanswered. But, on the other hand, this book does set out to give some picture of the possible economic structure of this country when the great resources are owned in common. The answers to these questions must occupy a certain amount of space, and if I dealt with them at this point the real subject-matter of this book would be too long postponed.

Therefore I shall first give a very general picture of the economic organisation; next I shall answer the particular questions, and then return to a much more detailed consideration of economic machinery.

## CHAPTER TWO

### THE GENERAL PICTURE

UNTIL we come to Chapter Five I must ask the reader to assume without argument that our whole enterprise will be directed by a democratically elected Parliament.

Parliament will decide what we shall do and what we shall produce. Members will draw the material for their decision from many different sources. They will not ignore the movement of prices as an indication of what is required; for when incomes are much more nearly equal than they are today the people can indicate their preference in a very democratic way by buying more readily the things they want than the things they do not want so much.

But citizens will also express their desires to their Members of Parliament in all the usual ways, though, I believe, with much greater vigour than they do today. For I am going to assume that citizens will take a far more lively interest in good government than they have taken up to now. They will hold meetings and demonstrations. They will form organisations either to support or to oppose the Government, or to advance particular causes. I shall show, too, how the liberty of the Press can be preserved and increased.

Taking all these factors into account, Parliament will have to decide to which of all the things that need doing we shall devote our resources, and in what proportions. I do not think it is in our nature to draw up some fixed Five- or Four-Year Plan. Rather in the early months or years of Common Ownership we shall direct ourselves towards certain general objectives in a generally agreed order of priority; and both

these objectives and the order of their priority will be constantly modified and adjusted in the light of our progress and experience.

But at any given moment, arising out of the discussions in Parliament and in the country, the Cabinet will be able to put a clear programme in front of us.

The duty of working out this programme in practice will fall, first of all, upon the Economic General Staff. This General Staff will work directly under the Cabinet, or under one of its sub-committees. It will be a very substantial organisation, and will conduct a continuous review of our resources. When Cabinet and Parliament have decided upon so many hospitals, so many schools, and so much re-housing in so many years, the General Staff will have to calculate what this means in terms of bricks, concrete and metal. The Economic General Staff, or one of its departments, will also exercise final responsibility over all questions of location of industry.

The Economic General Staff will pass its orders to the relevant industries, each of which will fall under the general direction of a Council whose members will be in part drawn from the ranks of the industry concerned, in part from other related industries, in part from one or more of the bodies described below, and in part will be chosen by Government.

There is nothing I have said up to now which is in any sense original. The reader may well say that this corresponds precisely to the picture he has in his mind whenever he uses the word "Socialism". I now offer something which I regard as of the very first importance, and which I believe is contrary to most accepted thought—or at any rate to most of the accepted "pictures"—on this subject. The councils will tell each factory *what* it is expected to produce; but they will not tell each factory *how* to produce it.

All the technical questions within each factory will be settled by the men who work in that factory. Of course it must be the case that some group of men—some committee

or board, either large or small—must exercise the final decision on all issues relating to factory policy. But these decisions will be reached as a result of continuous co-operation and consultation between managers and technicians, skilled workers and unskilled workers. In the very earliest years we shall face rather special problems by reason of the fact that many, or even most, of the managers and technicians, whose services it would be folly to reject, will have a somewhat different background to their lives from that of the average skilled or unskilled worker. But this state of affairs will not last long. Very soon we shall all have the same background. But even in the first days the decisions on technical factory problems will be made by those who work in the factory, and will not be imposed from Whitehall or made by some Civil Servant promoted to the control of a factory as a result of years of meticulous form-filling.

The real interests of the men who run our factories are opposed to the interests of big owners who control major industrial policy. They have largely failed to realise this fact because Socialism has mainly been presented to them in terms of Civil Servants running factories. Civil Servants will not run factories; and technicians will find themselves much more free when major industrial policy is determined by the representatives of the community.

When any industry is required to expand, it is natural that increased productive capacity will be added to the successful and not to the unsuccessful factories. When any industry must reduce its output, workers will first be withdrawn from the least efficient factories. And this fact, it will be found, will provide us with the incentive which we need in order to make each factory management as efficient as possible.

Within the general framework of common ownership, and subject no doubt to certain conditions, private individuals will conduct small enterprises on their own account. These will fill up the many small gaps which are bound to be left

in the major plans which we make. And by their enterprise they will supply one of the channels through which new ideas will emerge and develop into the great industries of the future.

It seems worth while to deal, however briefly, with seven important bodies, which will perform particular tasks in the new society.

The Financial Authority, or Banking Service, will play a very different part from that which it plays today. It will become wholly the servant, and in no way the master, of policy. The Financial Authority will doubtless be charged with the responsibility of actually making and receiving the payments for the exports and imports of the country. But if there is serious disequilibrium between expenditure and receipts in foreign trade, this will be corrected not by financial pressure or financial manipulation, but by deliberate decisions of Cabinet and Parliament.

Though individual factories will present accounts, it by no means follows that a factory will close merely because it shows a negative balance. Any negative balance will be grounds for enquiring whether the men and material employed in the factory might not be put to better use. But the decision to put them to better use will be made not by finance, but by the Councils of Industry, the Economic General Staff, the Cabinet and Parliament.

Relative wage levels as between one worker and another will be determined by the deliberate decision of the community. Relative prices will be determined by the changes in the popularity of different products, and by the way in which scientific or technical discoveries reduce the production costs of one product more quickly than those of another. The main income of the Government will be the sale price of all the commodities that are produced. The main item of Governmental expenditure will be wages and salaries of all those who work upon our common resources.<sup>1</sup> The Banking

<sup>1</sup> It is true these salaries and wages will be handed to the worker by the particular factory in which he works, but the necessary money will be made available by Government.



Service will no doubt be responsible for collecting the income and meeting the expenditure. It will be necessary to fix an absolute level of wages and salaries and an absolute level of prices, such as will secure a balance between income and expenditure. But this will be a purely administrative, and in no sense an executive function. Finance will be reduced to its proper station.

The Ministry of Man-Power will deal with all problems of finding for each man the job he can do, and finding for each job the necessary number of men. It is almost inevitable that at times Ministers of Man-Power will wish they had compulsory powers. I believe, however, that they can perform all their functions without them.

The Industrial Advisory Commission will be a development of the present profession of Business Consultancy. It will compare the technical and administrative methods employed in different factories, spread the knowledge of the most successful practices, and help individual managements to discover the cause of any failure.

The Commission for Major Developments will consider, report upon and prepare detailed plans for, all developments which lie outside the scope of any particular industry. Its central executive will consider such schemes as the building of the Thames Barrage, while its smallest local branches, in co-operation with local authorities, will consider schemes for the widening of the bridge at the end of the High Street.

The Innovations Board, either through its central office or through local branches, will consider all ideas and inventions submitted by citizens. It will have very substantial funds at its disposal, which it will be obliged to spend in trying out ideas submitted. I hope to describe a democratic device by which this board can be prevented from becoming rut-minded. But the ideas of the individuals will be responsible for much less than half of our advance. Real progress will be made by co-ordinated research. Therefore,

though Councils of Industry will no doubt conduct research into matters affecting their own industries, we shall require a National Research Council, co-operating, I hope, with an International Research Council, and exploring all the possibilities of human advancement. This Council—once again with very large funds at its disposal—will, I believe, release the enthusiasm of thousands of scientists and research workers now frustrated by the fact that their discoveries can be of little use unless some way be found of making them “pay”.

The National Publicity Council will act as intermediary between the community in its capacity as producer and the community in its capacity as consumer. Its business will be to understand the merits of every commodity which is produced. And everyone, whether a member of the executive of a factory who seeks to buy a boiler or the mother of a family who wants a packet of baking-powder, will have access to its advice. I believe this body will offer immense scope for thrillingly productive work for thousands of men and women now frustrated as advertising agents or travelling salesmen of individual firms.

It should now be possible for us to consider some of the preliminary problems which must be disposed of before we can turn to a more detailed account of the machinery which has been described in this brief outline.

## CHAPTER THREE

### PEACE OR WAR?

WHEN we come to a more detailed discussion of the possible economic machinery of Common Ownership, the reader is almost certain to ask whether I am talking about post-war reconstruction, or the steps which should be taken during the war.

The answer to this question very largely depends on the length of the war. I suppose it is possible that Nazism may collapse sometime in 1942 or early in 1943. If so we can undoubtedly reach the end of the war without any very fundamental changes in our economic machinery. But we shall need the economic changes I suggest (or others on the same general lines) in order to establish in this country the sort of community which will justify the sacrifices which have been made.

If, on the other hand, the war is prolonged, as well it may be, for three or five or even ten years, then we shall need these changes not only in order to build up a new society afterwards, but also in order that we may come through the struggle at all.

The matter was put very clearly and accurately in a Resolution passed by the first general Conference of the 1941 Committee (September 1941):—

“Maximum production in a long war, and prosperity and harmony in peace, cannot be obtained merely by economic devices, but only by the creation of a new atmosphere in which the motive of service to the com-

munity will take precedence over the motive of individual gain. This atmosphere cannot be created until positive steps are taken which give us an unequivocal assurance that when this war is over the great resources of the community will not belong to private individuals."

Far too many people ignore the immediate practical importance of this question of the atmosphere in which men work. It is quite true that the economic machine will not work unless it is, in itself, efficient. But the output of the most efficient machine must depend on the spirit and enthusiasm of the men who work it. The present system gives us an inefficient machine; and though hatred of Nazism gives us all a measure of communal enthusiasm which we should not enjoy in peace-time, yet the present system, instead of heightening this enthusiasm, acts against it and prevents it from reaching the high pitch which will be essential for us in prolonged war.

If we consider first the sheer inefficiency of the present machinery, we shall find the plain facts almost incredible. We want maximum output now. No other consideration except maximum production for the period of the war is of any account to us whatever. It is true that the Government directs the production programme as a whole, and it tries to harness the total productive resources of the nation to our total needs. But at this moment its programme for maximum production for the nation as a whole is administered through the agency of men who, by their very position in the present system, must have one eye on the present and still more on the future profitability of the particular part of our resources which is within their charge. It is no use blaming the Civil Service for inefficiencies and overlapping when this very Civil Service has to work through (and very often under) men whose interests must be over and over again opposed to the policy which would secure maximum efficiency.

I am not saying that every large shareholder is all the time deliberately sabotaging output in the interests of his own

future profit. Of course he is not. But the conflict of interest is too great. For the sake of efficiency it should be brought to an end.

In war it is in the interest of the community to postpone every repair which can safely be left until after the war; it is in the interest of ownership to undertake every repair and improvement whose cost can possibly be charged up against E.P.T. It is in the interests of the community to exhaust every good coal-seam and to neglect the bad; it is in the interest of ownership to work the bad seam and leave the good to the competitive days of peace. It is in the interest of the community to share all trade secrets; it is in the interest of ownership to preserve them. It is in the interest of the community to concentrate the resources of each factory upon one—or upon a few—products; it is in the interest of ownership to keep each factory flexible for the post-war period by manufacturing as many different products as possible. It is in the interest of the community that skilled workers spend part of their time teaching their skill to others; it is in the interest of ownership to keep the skilled workers steadily at direct production. It is in the interest of the community to save paper by cutting out advertising; it is in the interest of ownership to build up post-war goodwill by spending on advertising money that would otherwise go in E.P.T.<sup>1</sup> It is in the interest of the community to take the greatest number of women into every factory; it is in the interest of ownership to keep the men, as the women mean “an upset”, and will disappear after the war. It is in the interest of the community that any half-used machine be immediately sent to a factory where it will be fully used; it is in the interest of ownership to disguise the fact that some of its machinery is only partly used. It is in the interest of the community that whenever work in one factory falls off,

<sup>1</sup> For examples of advertising which can have no other possible object but to build up future goodwill, see the advertisements of aeroplane manufacturers in any technical aeronautical publication.

skilled workers be sent at once to some other; it is in the interest of ownership to hang on to skilled workers in case a good order comes along later. It is in the interest of the community that every conceivable resource be pressed into service; it is in the interest of ownership to see that productive capacity is not "excessive" in terms of the owners' post-war needs. It is in the interest of the community that all technicians be wholly engaged on the problems of production; it is in the interest of ownership that they spend a large part of their time struggling for contracts and dealing with accountancy problems so as to minimise taxation.

In all these, and in many other, ways the present system gives us an inefficient machine. Of course there will always be inefficiencies, simply because few men are themselves 100% efficient. Common Ownership will not automatically turn us all into models of efficiency. But there is no reason to retain a system which positively promotes inefficiency by leaving all the administrative and technical decisions in the hands of men whose best interests are served by taking other than the most efficient decisions.

Once remove the distorting influence of ownership, which must, of its very nature, seek immediate and future profit, and there will be found tens of thousands of salaried managers and technicians of all kinds who, in co-operation with workers, skilled and unskilled, can manage and direct the whole of our war effort without regard to "the profit motive".

None the less, the problem of technical efficiency is, in the long run, far less decisive than the problem of atmosphere.

The problem of atmosphere has a general application to our situation as a whole, and a particular application to some of our most immediately pressing difficulties.

The general application consists simply in this, that we can all work with a greater enthusiasm, we can all tolerate greater sacrifices and privations, if we know for certain that the defeat of Nazism will not mean a return to the frustration of 1919-39. Hatred of Nazism and determination to pre-

serve our own country from invasion unquestionably give us a great measure of enthusiasm. Millions of people are doing, without question, all kinds of things which they would never have consented to do in peace. And of course our whole army and population would hurl themselves at any Nazis who might land. Yet something is missing when it comes to the question of throwing ourselves wholeheartedly into one or other of the countless humdrum little tasks which go to make up the war effort. Over and over again I have heard, "Well, why should I, anyway? What's it all for? It'll all be the same as last time."

It is all very well to say that this is not the spirit in which we shall defeat Nazism. Of course it isn't.

We all need to work much harder. Not only do we need to work harder at the things we are doing now, we need to do new things which we would not have done before. Men who have found profitable jobs outside key industries in which they were formerly skilled must go back. Skilled men who were unemployed for years before the war must not only tolerate but welcome thousands of new entrants into their skilled profession. Family ties must be broken so that men and women may go where they are most needed. Relaxation must give place to roof-spotting. Trade-union regulations must be swept away. Millions must cheerfully tolerate uncomfortable living or travelling conditions so as to reach their work. And all this must be done with enthusiasm. And, if we are really to turn out the volume of war material which is required for the earliest possible victory, all those who are now spending more than four pounds a week must realise that their consumption must come down, not by just a little, but out of all knowledge.

I am not saying that many sacrifices have not been made in all these and in many other directions. They have. But we must go much farther.

I am, however, rather tired of hearing very rich men—men receiving net incomes of five or ten or fifteen pounds per

day—getting up in the House of Commons and saying that they “can’t understand why the workers do not now make all and more than all the sacrifices” I have mentioned!

I do not believe that they do not understand.

They must know that within the living memory of about half the population men were asked to make all the same sacrifices in return for a whole string of promises which were not kept. This is the second time in a quarter of a century that we have been asked to make sacrifices for “our country”. Is it really beyond the understanding of these men that before we can make them—with enthusiasm—we want a positive and unequivocal assurance that this country shall be ours, and not someone else’s?

Nazism, after all, is in a very real sense the last, and therefore the most vicious, counter-attack of privilege against the rise of equality. Dr. Beneš has rightly described it as “the counter-revolution for the re-establishment of slavery”. Our fight against Nazism is meaningless unless we intend to use our victory to establish a world without privilege. A world without privilege cannot be achieved by “equality of sacrifice” all round. For equal sacrifices will still leave the privileged with their privileges *relatively* unimpaired. What is required is a unilateral surrender of privileges by those who now enjoy them. And this means, above all else, that the little group of the self-selected nominees of big ownership who controlled the economic life of this country in the years between the wars must surrender or must be deprived of their power to control.

If we are to create enthusiasm for the real sacrifices that must be made, promises to think about a modification of privilege after victory are quite valueless. We require acts which guarantee that those who are now privileged will have no power of reasserting their privileges when the fighting and the danger are passed.

It is in this sense that the resolution of the 1941 Committee expresses the truth with such accuracy. It is for this



reason that what follows is equally applicable in principle to the problems of peace and the problems of war.

But in working out the application of the principles I must either deal with those things which will give us a harmonious society in peace, or with those things which would give us maximum enthusiasm in war. It is not possible to keep chopping and changing from one to another. I have chosen to work out the application of these principles in relation to the problems of peace.

For this decision there is one good reason. The war situation is constantly changing. Therefore those "positive steps which would give us an unequivocal assurance that when this war is over the great resources will not belong to private individuals" would mean one thing today and something else tomorrow. The structure of society which we shall need in peace should remain much more constant. Moreover, if we can make up our minds about the kind of society we want in peace, then, whatever changes may take place in the war situation, we shall have before us a picture of what we want in the end, and in each situation as it arises we shall be able to see what steps are necessary to promote the immediate war effort and lead on to the post-war order of society.

## CHAPTER FOUR

### WHAT WILL BE TAKEN OVER, WHAT WILL BE PAID?

WE are not here considering the nationalisation of one or two key services whenever an *ad hoc* inquiry shows that economic advantages (in terms of the values of the present system) would result from their nationalisation. It is important, all through this book, to remember what we are discussing. We are discussing the detailed machinery of a new shape of society which will make it possible for us to live in a new atmosphere and for a new motive. Nationalisation of a few key industries would not achieve this end.

On the contrary, far from the few nationalised industries setting their tone to the rest of society, the atmosphere of private ownership would invade the nationalised industries, as it invades the post office today. Each of the nationalised industries would have to make its own individual profit on pain of being considered "inefficient". We would not get all our main accounts ultimately on to the one balance sheet which will be shown later to be of crucial importance.

On the other hand, we are not discussing the national ownership of every last small holding. We are not proposing to turn the local plumber into a salaried State servant. So where do we draw the line between the I.C.I. works at Billingham and the market stall in the side street?

This question of line-drawing is an extremely contentious one. It is bound in practice to involve very real difficulty. Border-line cases will have to be very carefully handled. And however carefully they are handled, mistakes in detail will inevitably be made.

But we cannot allow ourselves to be held up by these difficulties. If it is right to take over the great resources, we must not adhere to a system which is wrong merely because of border-line problems. After all, the general who has decided to make a night attack is not deterred from his decision by the difficulty of drawing a precise line between day and night. For though we cannot stand, stop-watch in hand, and say, "Now it is day, and—flash—now it is night," yet when it is day we know it is day, and when it is night we know it is night.

I have suggested elsewhere that we might most usefully define a "small resource" whose management should remain in private hands as "any undertaking so small in scale that the owner, or small group of actively associated owners, can and do exercise a detailed daily supervision over the whole of its working". Mr. J. B. Priestley has suggested that all those industries which produce the fundamental necessities of life should pass into Common Ownership, while those which produce luxuries should be run by independent owners. He has enlarged on this definition by suggesting that it would mean that factories producing standard "family" cars would be owned in common, while those which produced the sports variety (if any) would be owned by private individuals. It is clear, I think, that my definition goes farther than Priestley's. His definition would lead to difficulties when a large factory produced luxuries and necessities simultaneously. But either of the definitions here suggested quite clearly contemplates that the main bulk of industrial activity shall be conducted in the atmosphere of Common Ownership, and that Common Ownership will therefore set its tone to society as a whole.

The entire question will need to be discussed much more fully than it has been up to now amongst people who agree about the essential principles. Before this discussion has taken place there is little point in one author elaborating in greater detail his own particular definition. In any event this definition as it stands gives a clear enough picture of what is

intended, and it is quite certain that we cannot be for ever tied to the wrong system by the alleged impossibility of drawing a line.

Now, what shall we pay to the present owners?

There are some who say we should pay them nothing, and there is a theoretical argument by which such a view can be supported. None the less it must be firmly rejected.

The existing owners did not make the rules of the present society. They merely worked within these rules, and in the overwhelming majority of cases they worked honestly.

Where we can prove breaches of the existing law, the law-breakers will be punished in the ordinary way. We might also make them forfeit all claims to compensation. And though there is a very proper objection to retrospective legislation, we might be justified in refusing to pay compensation to those whose property has been accumulated by methods which, though legal, must have been known to be contrary to the public interest. There is something very indecent in the suggestion that we should pay compensation for the property accumulated by selling "substitute foods" even at a time when this practice was perfectly legal.

Now, when there are men and women who have honestly done their best within the existing rules, and when they have established for themselves a certain way of life to which they have become accustomed, then, if the rules are quite suddenly changed—as they always may be changed by the will of the majority—it does leave legitimate ground for very real bitterness if these men and women are suddenly thrown down not merely onto a lower income, but into an entirely different way of life.

It may be said that we do not care about their suffering. It may be said that if they have not caused suffering to others, their kind and the system under which they have gained have caused great suffering. All this may be true. But it is not our business to visit the sins of the fathers on the third and fourth

generation, and if we attempt to do so we must cause this bitterness.

Now, we want our new system to succeed. We are determined that it shall remain democratic; indeed, it must become far more democratic than the present system. If at the very outset our system creates within itself a great hard core of bitterness it will be less likely to succeed; and we shall almost certainly find it impossible to remain democratic. I am not suggesting that there is any possibility of making our change in such a way that absolutely everyone will like it from the first moment. A minority is bound to dislike it. But there is all the difference in the world between a minority which dislikes national policy and a minority which dislikes it with such an intense bitterness as to be led to acts of positive sabotage in order to destroy that policy.

Whatever happens, a small minority will oppose so fiercely as to try to sabotage our endeavour. But if we strip every owner of his property and leave him with nothing, then we shall create such a mass of deliberate saboteurs that there will be no way of dealing with them except by dictatorial methods which we shall of course declare to be temporary. None the less, these "temporary" measures would seriously jeopardise our whole enterprise.

Therefore, even if the balance of theoretical argument did not lie on the side of paying compensation, we should none the less pay as a matter of practical expediency.

Owners, however, must try to accustom themselves to the idea that the estimates made by the present society of the relative value of life and of property are topsy-turvy.

Today we pay the woman who loses her husband on active service £40 6s. per year if she is under forty, has no children and suffers from no disability. In other cases we pay her £68 14s. And yet if a man loses paper shares worth £100,000 he thinks that something has gone wrong if he does not receive something like £30 or £40 per week. Indeed, he thinks he has a right to say to us that unless and until we are in a posi-

tion to pay him his £30 or £40 per week we have no right to change the basis of our society.

Forty pounds per year for the woman who loses her husband; forty pounds per week for the man who loses his paper shares. This is nonsense. The widow's pension is not intended as the cash value of her husband: it is intended as something which will just save her from starvation. We are being generous, not niggardly, with the rich men of today if, in changing the basis of our society, we pay them what they will need in order that they shall not fall to a wholly new way of living.

Indeed, this problem also has been dealt with very concisely by a resolution passed by the 1941 Committee Conference:

“When owners lose property as a result of any incident of war activity, war economy, or post-war reconstruction, compensation should not be based on the value of the property considered as such, but should be assessed in relation to the needs of the individual, which should include enough, but not more than enough, to safeguard him from a catastrophic fall in his standard of living.”

Can anyone say that this is unjust? Consider the extreme case of a man who now owns property valued at a million pounds. His annual income is now reduced by taxation to some £4000. Doubtless he regards this as exceptional and looks forward to a considerably larger income after the war. If we take over his property and give him a life income of £5 a day he will complain that this has produced the same effect as the confiscation of a half or three-quarters of his property. But is this treatment really unjust in relation to the treatment we shall give to the men who have burned up the whole of their youth in air battles all over Europe and Africa? These men, when the war is over, will be expected to work for a living. If the ex-millionaire is prepared to be a loyal citizen of the new community there is no reason why he

should not work for his. And he will receive five pounds a day, which the Spitfire pilot will not.

Though the millionaire may have to live in a smaller house, each member of his family will have a separate room. Though he may have a smaller car, he will still have a car. Though his wife may not have such expensive clothes, both he and she will always have an adequate wardrobe. There will be no question of their falling to an entirely new way of life.

In the case of the smaller property holdings, the income to be paid would approximate much more closely to the net income received at the present day. A property holding valued at £10,000 yields a gross income today of £300 at 3%. After paying income tax about £260 is left. It is difficult to say that anything above a 5% reduction in this income would not impose upon the owner a substantial change in his way of life. Therefore, although precise rates can only be fixed by taking into account the average views of a great many different people (views which can only be finally expressed when we see how we stand as a nation at the time when the change is made), yet it might seem not unreasonable to award such an owner 95% of his present net income. Owners of properties of between £10,000 and £1,000,000 would be compensated on a suitable sliding scale. Owners of properties so small that the income therefrom merely forms a modest addition to the money they earn by their work might well be paid 100% of the present net income.

There is an additional justification for compensation on these lines, which is this. Those who own property today owe their present position to a combination of circumstances, such as hard work, unusual cleverness, birth, blind luck and, in some cases, activities which, if not illegal, were fairly clearly anti-social in their nature. It is not an absolute rule, but I have the impression that in general it would be found to be true, that a greater part of the small properties are accumulated through hard work and unusual cleverness,

while a greater part of the vast properties are accumulated through birth, blind luck and questionable activities. If this is so, there is something to be said for the general rule that the smallest properties be compensated at the highest percentage rate, the largest at the lowest percentage rates, and the intermediate properties at intermediate rates.

But though the suggestions I have made seem absolutely fair, they are certainly revolutionary. They are wholly different from the proposals for compensation made by the British Labour Party. The Labour Party suggests, I believe, that existing owners should be paid in bonds representing "the fair net maintainable value of their property". This proposal, in contradistinction to that endorsed by the 1941 Committee, places the right to compensation on the property considered as such. This arrangement is extremely convenient for the owners of large numbers of shares. For they can invite us to look at the one share which is bought by a poor widow as a result of a lifetime of meritorious toil. When we have decided that we cannot in fairness place less than £100 on this one share of hers, they then collect £100 on each of the far more numerous shares which they themselves own. It seems far better to place the right to compensation upon the individual.

Moreover, the solution proposed here cuts us loose at one stroke from the hideous problem of meticulous property valuation.

When I have suggested recently that we cannot expect engineers to agree to all the changes that must be made in their industry until it ceases to belong to private individuals, I have often been told that we cannot possibly go through all the business of valuing the property in time of war. Under my proposal the whole of this business is reduced to an incredibly small minimum.

Almost every one of the owners who would claim compensation has been making income-tax returns. These will show what income he has been receiving from the ownership of



property which is taken away.<sup>1</sup> Parliament will decide what percentage is to be paid on incomes of what sizes. And that is all. The present staff of the Inland Revenue Department could take on the whole of the work in their stride. Only a very few special tribunals would be required, to deal with the cases of those who would claim that events taking place since their last income-tax returns had made these an inadequate basis for compensation. This proposal would have the additional advantage of meting out poetic justice to those who have so arranged their affairs as to take advantage of every device for dodging income tax which the existing law has placed at their disposal.

There are one or two minor problems which are directly or indirectly related to the problem of compensation.

The first is the question of the children of existing owners. Should they receive anything at all? Our desire that we should all, at the earliest possible moment, start from scratch, would certainly lead us to say "No". But against this it must be remembered that many men have worked throughout a number of years mainly with a desire to confer some benefit on their children. Although it would not act so powerfully as a mistaken decision to pay no compensation at all, it would create most undesirable bitterness were the rules of society suddenly altered in such a way as to frustrate this desire.

I would therefore suggest that after the income to be paid to any existing owner has been ascertained, he should have the right either to accept that income for his life, or to accept, say, 20% less for his own life plus the life of his children. The figure of 20% is obviously open to discussion. But it should not be rejected merely because in most cases a father and child (when the father takes the lower income for the longer period) will in the end receive more from the community than the father alone (if he accepts the higher figure for his own life only). The first few years of the new society are going to be the most difficult. It will be a great advantage in these years if some owners can be persuaded to take 20% less, and the obligation to pay something to their children in the later years will be a burden easily borne by the community after the emergency years have passed.

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<sup>1</sup> In some cases a little evidence other than that contained in the income-tax returns would have to be made available—all of it from readily accessible sources—to disentangle the income derived from property taken away, from income derived from other property not taken away.

In any case, it is clear that the whole burden of paying compensation will be reduced very much more quickly under the proposal here put forward than under the proposal to pay bonds equal to the fair net maintainable value of the property, as envisaged by the Labour Party. These bonds, subject to death duties, would often pass to grandchildren and great-grandchildren. They would represent in all respects a form of property. They would keep alive all the evil associations of property-holding. We shall create a new atmosphere much more quickly if, instead of giving existing owners a bond of a certain capital value, we give them merely a personal right to draw an income for life (or to draw a smaller income for their own lives and the lives of one more generation).

In response to a direct question on the subject, I would make it clear that I envisage these proposals as applying equally to the National Debt as to other property. The Debt, as a vast capital sum to be paid off some day, would disappear forthwith. Individual holders of the various bonds into which the debt is now subdivided would receive a right to a life income in the same way as owners of other property. That is to say, private owners of large holdings would receive a substantially reduced income—though still a sufficient income to safeguard them from a catastrophic change in their way of life—while owners of the smallest holdings would suffer hardly any diminution of income at all. As the existing owners died (or in the case of those who chose to exercise the option in favour of their children, as the children died) the annual burden on the community would disappear. In so far as National Debt is today held by institutions such as banks and insurance companies which will themselves be taken over by the community, the debt payments would become a mere book-keeping transaction which could either be maintained or dropped, as might seem most convenient. We cannot, of course, expect that all the biggest holders of National Debt will like these proposals. But we can see that without causing any physical hurt to anyone we can very substantially reduce the burden of the debt on the very first day, we can reasonably hope that not more than, say, 10–25% of it will remain with us in fifteen years' time, and we can be fairly certain that, except in the case of unusually long-lived children, all of it will have disappeared in sixty or seventy years. This surely represents for us—for the great masses of the people—an immense relief from the prospect that we shall all of us, for years, live in frustration under the financial burdens imposed upon us by the present—and by several past—wars.

Although it is not strictly related to the problem of compensation, I have found that whenever compensation is discussed, someone very soon raises the question of saving within the new society; it might therefore be as well to deal with this problem here.

In the early and middle years of the Industrial Revolution individual saving was essential to industrial progress, for it was out of the savings of

individuals that the capital equipment of the new factories was largely bought. Since then this has become progressively less and less important. *Capital development is now financed by bank credit and, far more, by the surpluses of large industrial undertakings.* In the new community savings by individuals will be of no importance from the point of view of industrial progress. The community as a whole, through Parliament and Cabinet, will decide what proportion of the total output of the nation shall be directed towards new capital works, and what proportion to goods for immediate consumption. (The decision will not please everybody all the time, but none the less it will be made.)

Saving, then, has only to be considered from the point of view of the individual. It will not be permissible for the individual to save so as to acquire economic power over the life of others. The only purpose of saving will be to postpone the enjoyment of income from the period when it is earned to some later period. Naturally the community will provide such old-age pensions as we believe to be the average desire of all the citizens. Every citizen, throughout his working life, will enjoy a smaller income than would otherwise be possible, so that in his old age he may live in comfortable retirement. Some people may desire still further to curtail their income in early life, in order to enjoy a larger income when they retire, or in order to retire sooner. It will be perfectly possible for the new community to draw up schemes, on non-profit-making insurance policy lines, which will enable such persons to satisfy their desires.

A good many people who now enjoy a reasonable income make substantial savings to "safeguard" the future. This is a wise precaution in the present society, when a change in the economic situation may throw anyone out of employment. But when we have lived for a few decades in a community which guarantees full employment, this form of saving "for a rainy day" will, I believe, very substantially disappear.

Saving for the sake of children has already been mentioned. This, too, is largely a by-product of the insecurity of the present system and the resulting desire on the part of parents to feel assured that no chance of economic fortune shall throw their children into want—or throw them into some other class than that in which they were brought up. Once again when we have lived for a few decades in a society giving security and eliminating class distinction, the desire for this form of saving will largely disappear. In so far as it remains, it is to my mind an open question whether we should make any provision to meet it. I feel certain that we should not allow any parent to save very large sums for his child, as this would give the favoured child a completely different kind of start in life from that enjoyed by other children. The chance of large sums being "left" is quite considerable. I shall suggest later on that the largest income should certainly not be more than ten times greater than the smallest. If then we may hope that within a decade or so the smallest

income would be equivalent to the present income of £4 per week, the highest might be £40 a-week. A man earning such an income for thirty years and living—as he well might if he chose—on some £3 per week, would have some £58,000 to leave to someone. It seems to me quite wrong that any child should be left £58,000, and I would suggest that at the very most no parent should be allowed to leave to any child anything that would provide an income of more than £2 per week. Even this is questionable. But such a small sum would not lift any child into a wholly different level of opportunities from that of other children.

Some people deeply steeped in the atmosphere of the present system will say that the inability to leave children money will in effect break up the sanctity of the home. It is difficult to find patience for obscurantism of this kind. A parent should try to leave to a child sound physical health and a wise and friendly outlook upon life. The home ought to be held together by mutual love, and not by money.

## CHAPTER FIVE

### POLITICAL DEMOCRACY

JUNE 22, 1941, will be marked for ever as one of the real turning-points in human history. On the morning of that day Nazism made its attack on Soviet Russia, and in the evening Mr. Winston Churchill pledged the Russians our full co-operation in the struggle against our common enemy.

Whatever unqualified admirers or critics of Soviet Russia may say, I hold that for the last twenty years we have seen in Russia an economic democracy working under a political dictatorship. Whatever unqualified admirers or critics of our own country may say, I hold that in this country we have seen a political democracy working under an economic dictatorship. Our two countries are now in alliance against a common enemy. This single fact seems to me to present us with a situation of almost unlimited possibilities. For when our two countries have conquered the common enemy they will exercise together unequalled influence over the development of the whole world.

What is this development likely to be? It seems almost inconceivable that the Russians, in the hour of victory, will revert to private ownership of the economic resources of their country. It is equally inconceivable that we shall abandon political democracy. It seems far more likely that they will learn from us that political democracy is the logical conclusion of Common Ownership, and that we shall learn from them that Common Ownership is the logical conclusion of political democracy. Together we may hope that our example may lead humanity as a whole to the conviction that

political democracy and Common Ownership are the twin pillars of a stable and harmonious society.

But there are those who deny that this is possible. They insist that Common Ownership must automatically produce political dictatorship, while they sometimes talk as if private ownership must guarantee the perpetuation of political democracy. This last point is quite clearly untrue, since Nazism arose under private ownership mainly through the encouragement of the largest private owners.

The relation which some people think they see between political dictatorship and Common Ownership arises, I believe, from a confusion between political liberty and economic liberty. These two liberties are related; but they are none the less distinct. Economic liberty consists in being able to do the job you want to do in the way you want to do it. Political liberty consists in having the right to take an equal part with all other citizens in the choice of your Government.

Now, the argument of those who see an inevitable connection between Common Ownership and dictatorship runs along these lines: "Under private ownership each man can be made free to run his own affairs in his own way. But under Common Ownership each man must in one way or another live in and under the plan which is made by the community as a whole. Therefore under private ownership every man is free, while under Common Ownership every man is bound."

I want to suggest to those who use this argument that they are not thinking of the world of today at all. They are thinking of the world of 1750 to 1850: the world of the thousands and thousands of small-scale independent entrepreneurs. That world has today developed, under the influence of nothing other than the motive of profit-seeking, into the world of giant capitalism under which we live.

What, then, is really meant by the suggestion that under private ownership every man can run his own affairs in his own way? If it means that every rich man can run his own

affairs in his own way, this, of course, is true. And of course this liberty will disappear under Common Ownership because there will then be no rich men controlling economic affairs (either of their own or of other people). If it is said that under private ownership every working man can change his job if he wants to, then I will say that this liberty is today, under private ownership, much smaller in practice than in theory; and that it can be vastly increased under Common Ownership. But if it is suggested that under private ownership most men, or even a substantial minority of men, can be entirely their own masters, then I will say that this is impossible in the modern world.

In a country where nine-tenths of all the wealth is in land under peasant cultivation, and nine-tenths of the remainder is in village industries, it is possible for a vast majority of men to be their own masters. But where the main wealth of a community is in such physical resources as railways, cotton factories, engineering works, coal-mines and shipyards, it is sheer nonsense to talk about each man being his own master. The very shape of our resources forces us to work with each other in teams, sometimes of tens, sometimes of hundreds and sometimes of thousands. The very essence of working in a team is that one does not make one's own decision in complete independence of that of everyone else. However the team is organised, however it is led, each man must merge his own individual decision within the decision of the team as a whole. The porter on Exeter station must work within the decisions made by the station-master, even if he is brought into consultation in making the decisions. The station-master similarly must work within the plan made by the area traffic manager. And he in his turn must work within the policy of the railways taken as a whole.

These facts do not arise out of private ownership or Common Ownership: they arise out of the very shape of a railway. And what is true of railways is equally true of all the really typical resources of our present economy. The fact

that no political system can make us all our own independent masters can be ascertained merely by standing outside one of our typical factories and looking at it.

Indeed, it is surely not too much to say now that it is quite certain that our economic life will in fact be planned consciously by someone. We cannot put the clock back. We cannot re-create the thousands of independent units each managed by an individual owner making his own decisions in his own way and in ignorance of the decisions made by all the other similar little men.

There is going to be a plan, and the real question is, "Who is going to make it?"

In the last resort there are only three possibilities.

Either that plan will be made by the representatives of the biggest shareholders, or it will be made by the representatives of the people, or it will be made by some half-way house combination between these two. Even theoretically speaking there are no other possibilities.

This third alternative is immensely attractive in theory. Its advocacy confers upon the advocate an air of wise impartiality, and simultaneously safeguards him from the painful necessity of having to make up his mind about anything. And of course it seems to give us the best of both worlds.

For without deciding anything in detail, the advocates of some form of public control imposed over private ownership seem to think that we can take it for granted that this system, once established, will automatically produce every good result. The public control will give us the wise regard for the common interest which we all desire; while private ownership will give us that dash and enterprise without which we perish. No one ever seems to take the trouble to offer any solid and detailed arguments against the equally possible alternative that the public control will give us all the red tape in the world, while the private ownership will give us a sordid intrigue for individual gain. Indeed, our experience of trying to run a war under publicly controlled



private ownership very forcibly suggests that this gloomy possibility is much more likely to be realised in practice than the rosy visions of the men and women who gather around P.E.P.

But apart from this it is very doubtful whether a system of public control over private ownership could be established in fact. There is no doubt at all that it could be established on paper. But to achieve in practice the real spirit of equal co-operation between the representatives of the big interests and the representatives of the people will prove as difficult as the theoretically possible task of admitting just so much water into the crack in a child's celluloid duck as will cause it to float half-way between the surface and the bottom of the bath. An inevitable dynamic pulls it in one direction or the other.

I think, then, we have to contemplate the absolute certainty that the nature of our economic machinery is now such that no conceivable system will make each man his own independent master, and that the whole of our economic life is going to be planned either by the representatives of the big interests or by the representatives of the people.

Is it really possible to argue that political liberty must be guaranteed for ever under the former alternative and must be destroyed under the latter?

Surely it is true that political liberty—the right in the last resort to vote against the existing Government and replace it by some other—depends in no way on the economic shape of our future society. It depends on the character of our people.

If by any means the people can be persuaded, cajoled, bludgeoned or swindled into electing a Government which is in favour of the destruction of liberty, then liberty will be destroyed, as in Germany. But in Germany this happened under private ownership. I believe our people are proof against this danger.

If this is so, the only remaining danger is that a Govern-

ment elected with the intention of preserving political liberty will in effect destroy it.

Now, all political liberties in the end resolve themselves into one liberty—namely, the liberty to dismiss a Government by voting against it. All the other political liberties—free speech, free Press, free association—are subservient to this one major liberty. In order to destroy political liberty a Government must either so completely destroy the subservient liberties as to make an election a mere farce, or it must deny the people the right of holding an election at all. Either of these things is theoretically possible. It is theoretically possible that this present Government—under private ownership, be it observed—might forbid all meetings, suppress all newspapers and publish only its own, bar all independent speakers from the B.B.C., forbid the printing of political leaflets and ban all political organisations. But would this be enough? Would it prevent the Government from being defeated when the next election took place? Not at all. On the contrary, such action in this country would positively guarantee the defeat of the Government at the election. Therefore, to destroy political liberty in this country, the Government would have to go much farther. It would have to cancel general elections permanently.<sup>1</sup> This, too, is a theoretical possibility. The members of the House have unquestionable constitutional power to pass the necessary laws to this end. But is this theoretical possibility a real danger to us?

The answer to this question depends on the answer to another.

If an unpopular Government tried to retain power by abolishing free speech and the other incidental political liberties, and then tried to save itself from the resulting increase in its unpopularity by cancelling general elections, would the British people discover some way of coping with

<sup>1</sup> And also by-elections, as otherwise it would lose its majority in about ten years time, when enough members had died off.

the situation? Surely the whole of our political history tells us that we would.

It is almost profitless to consider the exact tactics which we should adopt, as these would depend on circumstances. It is conceivable that the King might take the view that he could not assent to the postponement of elections without a violation of his promises at the Coronation. Judges might decline to pass verdicts on the laws of the "unconstitutional" Government. Police and armed forces might refuse to execute the laws. There might be a universal sit-down strike, or a refusal to pay taxes. Or there might be a revolution. This last, in my view, is to be avoided at all costs, short of the cost of retaining a Government which abolishes political liberty and cannot be removed in any other way. I am almost certain that a revolution will be avoided in this country, simply because in the very worst imaginable circumstances those who oppose the demands of the would-be revolutionaries will always, in their own interests, climb down if they see that the temper of the nation is such that if the revolution takes place they will be defeated. This is, in fact, an essential part of the political genius of the British people. Other countries are much less fortunate.

But if we would quite certainly find some means of dealing with a Government which tried in this way to abolish political liberty under private ownership, what is there to suggest that the British people would lose this power under Common Ownership?

Moreover, if the British people retain this power of preventing any Government from depriving them of the major political liberty, this is in itself a safeguard of all the minor liberties. It is feared, for example, that a Government owning in the last resort all the major resources of the community, might use its power as owner to install in the most lucrative positions all its incompetent personal supporters. By giving enough of these tempting positions to Members of Parliament, such a Government might maintain a servile

House of Commons. But is anything more certain than that if this were done, that Government would be defeated? If it tried to avoid defeat by stifling all criticism, could this have any other effect than that of increasing the certainty of its defeat? And if it went to the final length of maintaining its existence by cancelling all elections, is it not certain that the British people would find some means of dealing with the situation?

Until someone offers us some reason for supposing that the British people can prevent a Government from cancelling elections under private ownership, but cannot do so under Common Ownership, I think we must proceed with our argument on the assumption that the British people cannot be deprived of their right to say what they like, to organise themselves into political parties if they choose, and to vote for or against Governments at periodic elections.

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There are those who make a rather different point. They say that the machinery of democracy is not capable of bearing the strain which Common Ownership would impose upon it. This point is important, but not perhaps sufficiently important to justify detailed consideration here. I have, however, included some comments on this subject in an appendix to this book, where I have also made some suggestions for increasing the liberty of the Press under Common Ownership.

## CHAPTER SIX

### LEADERSHIP

IT is necessary to say a few words on the question of leadership in general before we can turn to a more detailed description of machinery, because there are many people who can hardly bring their minds to consider the details of a machine whose very essence, in their view, will destroy the whole spirit of leadership.

It cannot be emphasised too often that no new machinery will save us unless a new spirit breathes through the whole of our people. The machinery I suggest will give us an opportunity of finding this new spirit. It will not guarantee that it will be found.

The argument which supposes an inevitable connection between Common Ownership and the death of leadership is usually supported by examples of the failure of present Government activity. It is the purpose of this chapter to insist that these examples, however many of them may be accumulated, prove nothing at all.

Government activities at the present day are carried on *within* the atmosphere of the present system. It is my case that this system as a whole is played out. It has reached a dead end. It can no longer act as an inspiration for anything, in the way that the capitalism of the small independent owners acted as the inspiration of a great deal in the early nineteenth century.

We have, in fact, seen in this country in these last years the nadir of every form of leadership—political, social, religious, and economic. If Government activity is inefficient, can

anyone look at the cotton industry or the coal industry and say that private activity is very much better?

On a small scale many excellent things may have been done, but I personally find myself at a loss to mention any one thing done by our country on a large scale between the Armistice and the evacuation from Dunkirk of which we have any right to be proud. Many individuals may have been truly great on a small scale. But between Mr. Lloyd George as he was before the misfortunes of the 1918 election, and Mr. Winston Churchill as he became after the misfortunes of Flanders, I cannot find any man who has risen above mediocrity on a national scale. In the midst of such a universal eclipse of all leadership, why should we expect the Civil Service to show a remarkable commercial and industrial efficiency?

Indeed, there are very good reasons for feeling confident that our present Civil Service must fail when it undertakes commercial or industrial activities. If I give the reasons why the present Civil Service cannot be expected to show any very great enterprise in commercial activities today, and for believing that under the new system the Civil Service will become much more enterprising, I hope I shall not be accused of inconsistency when I suggest that in spite of these things industry will *not* be in the hands of the Civil Service.

The Civil Service has its traditions. They were largely built up by Gladstone at a time when it was universally supposed that the Civil Service must always stand in the second line of national effort and perform no other service than that of ministering to those in the front line. Except for three years when timid Labour Governments were in office but not in power, this Civil Service has always been under the control of statesmen whose entire political outlook taught them to believe that it would be very wrong for the Civil Service to succeed in any direct industrial undertaking. For the last twenty-five years (again with the exception of the three

Labour years) the Civil Service has been under the Conservative Party.

During these years the control of promotion to the highest places has been in the hands of Conservative-minded men. These men have been terrified not only of such ideas as made a clean break with the present system, but of any ideas at all. Consistently they have promoted to the highest places the safe men with no ideas.

These men have set their tone to the whole of the Civil Service. The Civil Service has been steeped from top to bottom in the atmosphere of the present exhausted system, and anyone whose mind has openly revolted against the deadening effect of this system has been prevented from reaching any position of influence. The men who reached the top were mostly incapable of enterprising activity of any kind, and therefore the failure of the present Civil Service to deal effectively with problems of production is not a particular condemnation of the system of Common Ownership, but part of the general condemnation of the present system.

Moreover, some of the examples of inefficiency in present war production are even more directly condemnatory of the present system. For today the really important decisions in industry are not made by the trained Civil Servants. In spite of all the handicaps of their traditions, these quite often administer the major decisions with efficiency, and always with impartiality and honesty. The major decisions are made by the various "controls". These controls are not staffed by Civil Servants: they are staffed by people drawn, as a rule, direct from the industries concerned. Even when, as will most often be the case, these industrial controllers exercise no conscious bias in favour of the commercial firms to which they were formerly attached, still their very ways of thought and the very cast of their minds are derived from their experiences within the present system.

Their failure, if it proves anything, merely proves that the

system of Common Ownership cannot be successfully run under the direction of men whose outlook on life is that of giant capitalism. And why should we expect any other result? Would anyone have condemned the nascent commercial capitalism of the sixteenth century merely because a merchant venture came to grief when directed by a set of feudal barons? Of course he would. And I have no doubt that many supporters of feudalism pointed to the failures of free capitalist enterprise when directed by such men, and thereby supposed that they had proved that commercial capitalism must fail. But they were wrong. Commercial capitalism succeeded when it was directed by people whose minds were not steeped in feudalism. So also Common Ownership will succeed when it is directed by men whose minds are not steeped in giant capitalism.

Throughout every department of our national endeavour we can find men standing in the second rank whose minds are already freed from this present system of ours. Unfortunately they are held back by more old-fashioned men who are still one stage above them. I challenge contradiction of the fact that the majority of all those at the very top of Lord Reith's Post-War Planning Organisation are convinced that there is no hope of decent planning after the war except through the Common Ownership of land. I challenge contradiction of the fact that many of those in the second rank in the Ministry of Food have presented reports saying that there is no chance of a solution to the particular problem they are tackling except through the removal of that problem from the influence of profit and loss. I have already mentioned the departmental managers and sub-managers of the engineering works all of whom want to see Britain without large property-owners.

Indeed, I will go so far as to say that all the men under forty with fresh, alert minds are against the present system. For them it is a frustration. It has excluded them from positions in which they could have proved their capabilities. It



has not provided the kind of atmosphere in which they can give of their best.

These men and women are waiting in their thousands and their tens of thousands. The moment the grip of the old tired leadership upon all the highest places is broken, the moment a new kind of mind takes over at the top, these men and women are ready to surge forward in a flood-tide of enthusiastic efficiency, which will rise all the higher for having been so long dammed up.

## CHAPTER SEVEN

### THE MAJOR PLAN

WE are now in a position to consider in greater detail the machinery of Common Ownership; and first of all we should consider the major economic plan.

Subject to the general directions of a freely elected Parliament, the major plan will be made by the Cabinet. Whenever the Cabinet loses the general confidence of the House it will be defeated, there will be a general election, and the result of the election will decide whether the same, or a new, Cabinet shall undertake the task of developing or altering the plan. But at any particular moment final authority will rest in the Cabinet.

The major technical requirements of the plan will be worked out by the Economic General Staff, which will pass on to the different industries the large-scale orders for the goods and services that the plan requires. Councils of Industry will allocate these major orders amongst the individual factories. We shall see in later chapters how each factory will work in conditions of remarkable independence, and how each individual will find his place in the work of the community. But responsibility for the major plan itself will rest with the Cabinet.

No doubt the plan will be revised and modified from time to time in the light of experience and of the progress made. In fact its development will be almost continuously under review. But at any one moment there will be a major plan before us.

How will this plan be made?

It is important to be quite clear that there is no magic about Common Ownership so far as the production of goods is concerned. Goods are not produced out of a hat: they are produced by the labour of man's hand and brain working upon such material resources as may be available.

In making our plan, therefore, we shall have to review all our resources, both human and material, and decide what shall be done.

It may be said that this is exactly the same problem as has to be faced under private ownership. That is perfectly true. But under Common Ownership there is a change in the atmosphere—a change in the very nature of the problem—which is on the one hand so simple and on the other hand so great that it is not altogether easy to grasp its full significance.

Under private ownership the Cabinet has to ask itself the question, "How shall we create the conditions in which it will pay private individuals in the pursuit of their own interest to do the things which we want done?" In order to answer this question the Cabinet must think in terms of subsidies, tariffs, changes in the incidence of taxation, alterations in the policy of the central banking authority and the like. Under Common Ownership, on the other hand, the Cabinet faces the much simpler problem, "How shall we do it?" In order to answer this question the Cabinet (assisted, of course, by the Economic General Staff) must think in terms of available man-power, factory capacity and raw materials. The necessary change in mental outlook is very substantial.

Moreover, in facing this problem the Cabinet can never have to ask itself the frustrating question, "What on earth can we do with all these men?" On the contrary, it will at all times face the thrilling question, "Where on earth are we going to find the men to do all the things that need doing?"

Transitional unemployment—the unemployment of the man who has finished one job and has not yet been fitted into another—is absolutely inevitable under any system. But what we have called "permanent" unemployment is quite im-

possible under Common Ownership. Indeed, if the General Staff has given out all its large-scale orders, and if these orders have been allocated amongst the different factories, and if it still appears that there are men unemployed, this is cause not for regret, but for great rejoicing. For it simply means that the Cabinet can decide to undertake at once certain projects which it had previously supposed must be postponed.

A more detailed note on the complete impossibility of permanent unemployment under Common Ownership is contained in an appendix to this book.

But we still have not considered how the major plan itself will be made. Though it may be true that everyone can be offered something to do, how can we be sure that we are doing the right things? How can we be sure that we are doing the things which people really want done?

Let us make a list of some of the things that will need doing.

We shall have to produce all the necessities of life for our people; we shall also have to produce the comforts, and even, we may hope, some of the luxuries of life. In addition, of course, we shall naturally want to improve our factories, to develop new processes, to tap new sources of power and of raw materials, so as to enjoy a greater abundance in the future than is possible in the present. Even when they have not been destroyed by enemy action, we shall want to rebuild far more than half of all our towns. We shall want new schools, new hospitals, new parks, new community centres, swimming-baths, libraries, theatres, holiday camps—indeed, the list of our requirements is almost endless.

It is perfectly clear that we shall not be able to have all these things at once in full measure.

We shall have to decide, therefore, which of these things we are going to have first, and in how great a volume.

It may be convenient to divide this question into three questions which can be answered one at a time.

The first question is, What part of our resources shall we devote to the production of goods for immediate consumption, and what part shall we devote to the production of more permanent assets?

The second question is, What particular goods shall be produced by that part of our resources which we decide to devote to goods for immediate consumption?

The third question is, Which of the desirable permanent assets shall we produce first, and which can be postponed till later?

How are we to find the right answers to these questions? We here encounter something which is at first sight curious, but none the less fundamentally true. There is no particular answer to these questions which is absolutely right as against all other answers which are absolutely wrong. It is simply a matter of opinion.

Let us take the first question, and let us even go to extremes. Someone might say that there is no need whatever to improve our permanent assets. He might think that they are quite satisfactory and that the whole of our labour force ought to be devoted to the production of consumption goods here and now. There is no doubt that this policy would result in the highest possible standard of living in the immediate future. It would also mean that the standard of living would never rise. At the other extreme someone else might suggest that the whole nation should be put on iron rations, that every available man should be withdrawn from the production of goods for immediate consumption, in order to build the new factories and new towns in the shortest possible time. No one can say absolutely that even these extreme and opposite opinions must be wrong. All we can say is that the general view of the majority would not support either of them. Our problem, therefore, is to strike a balance between these two extremes which seems to command the most general assent of our people. If

the decision of the Cabinet is substantially at variance with the majority view, then the Cabinet will be defeated. But if it is not, then there is no possibility of our committing any absolute errors in our answer to this question. At the very worst we shall either enjoy a rather higher standard of living in the early years at the expense of unduly postponing the improvements that would otherwise have been possible; or we shall have subjected ourselves to an unnecessarily spartan way of life in the earliest years, as a reward for which our standard of living will rise somewhat sooner.

Once we have decided, for good or ill, on our answer to the first question, the second question very largely answers itself. Today the disparity of incomes is so great that the free choice of consumers exercised in the shops provides us with no adequate reflection of the real human needs of the population; for we have already seen that the lightest whim of the rich man exercises a greater pulling power on the productive resources of the nation than the crying need of the poor.

But when incomes are much more nearly equal—when, as I hope, the very highest income is not more than ten times greater than the very smallest, even if that—then the free choice of consumers in the shops will provide us with a very adequate general guide to the kinds of goods required.

If, through an error of judgment, we produce too much of one thing and too little of another—which we are absolutely bound to do—then shortages and surpluses will become apparent. It will not then require a major Cabinet decision to change our policy so as to produce more of what is most needed and less of what is least needed. In most cases careful observation of the volume of stocks in hand should enable us to make the necessary alterations in production policy in good time to avoid any serious dislocation.

When we come to the third question, we find once again that there is no absolutely right answer.

There is no doubt at all that medical authorities will present us with reports showing what are our needs in the way of new hospitals. Other authorities will be making claims upon us for new schools, libraries, swimming-baths and so on. Industries will be making demands for new factories, new machinery, new facilities of all kinds. The demand for the rebuilding of our towns will be pressed upon us. And the Commission for Major Developments will stress the advantages of undertaking such projects as the Severn Barrage or the electrification of our main-line railways.

We cannot say that it is absolutely right to produce so many schools, so many hospitals, so many houses and so many new factories in the first or in any subsequent year; and that it is absolutely wrong to produce any other number of these things in some other order of priority. Once again it is, and must remain, a matter of opinion. There can be no doubt that on these matters many citizens will voice their opinions very vigorously indeed. It will be the business of the Cabinet, under the direction of the House of Commons, to assess the urgency of all the different demands, and to make a choice between them. If its choice is widely divergent from the views of the majority of people, it will be defeated. But if it is not, no irretrievable damage will have been done by getting, for example, our schools just a little bit sooner and our theatres a little bit later than some people would have thought most desirable.

Of course after the event we may come to feel that certain of our decisions were mistaken. This is inevitable. Whenever this happens some people will be able to show that they were wise before the event, for almost no decision will ever be taken in relation to which there did not exist some memorandum urging some other decision. Whenever general opinion comes to recognise any particular decision as having been mistaken we may be fairly sure that the relevant memoranda will be brought to light. We shall then have to admit that a mistake has been made. No doubt any Government

which is too often placed in this position will be risking defeat, particularly when some organised team of critics can show that it was they who steadily produced the memoranda which subsequent events justified.

But even though we make mistakes, they will not be so grave as the mistakes of the present system. We shall not produce great volumes of luxury goods while thousands of people are in want. And though we may often make a mistake by offering a man one job when it will be subsequently proved that we ought to have offered him some other, yet at least we shall avoid the most hideous mistake of all—namely, the offering of no job whatever.

Our answer, then, to our original question seems almost too simple. But it is none the less the right answer. Instead of our doing those things which the representatives of owners find it worth their while to order us to do, we shall look at all our resources, we shall assess all our needs, and, rightly or wrongly, our representatives in the Cabinet and the House of Commons will have to decide which of the things that need doing shall be done first. By that decision they will make our major plan.



## CHAPTER EIGHT

### ECONOMIC GENERAL STAFF

THE general plan for the deployment of our total resources will be translated into terms of specific orders to the relevant industries through the Economic General Staff, which will be at all times subject to the general direction of the Cabinet, and therefore of Parliament.

We should not under-estimate the magnitude of the task which this staff will be called upon to perform. On the other hand, we should not regard the task as impossible. It is no more daunting than that to which some organ of Government must be addressing itself today for the purpose of co-ordinating our war effort; and if it is said that the work is now being ill done, then it may be replied that we have had only a short experience, that it is harder in war to find the time to tolerate and to learn from our mistakes, and that the Economic General Staff would not be handicapped by working very largely through the agency of firms and individuals who are bound to have one eye fixed on their own present and future interests.

The working instructions of the Economic Staff will be the plan drawn up by Cabinet and Parliament; and within the framework of this plan it will be necessary to keep all our resources fully occupied and every department of the community's effort in gear with every other.

In other words, if Parliament has decided that we shall have so many hospitals, so many schools, so much rehousing and so many new factories, the Economic Staff will have to work out what this means in terms of building material. If

Parliament has decided on a certain level of agricultural production, the Economic Staff will have to make its estimate of the number of tractors required.

It is probable that the Economic General Staff will make many mistakes. We shall see that each factory contemplating anything between a modest repair and a major extension will have to be free to do the work in whatever way it chooses. In making the decision individual factories will, of course, be guided by the prices being charged by the steel, brick and cement industries for their products. If the estimates of the General Staff have been at fault, we may find the supplies of cement running low while bricks accumulate unused. Similarly some farms may go short of tractors, or the tractor factories may be unable to sell all their output.

The situations arising from errors of this kind will have to be dealt with either by allowing stock to accumulate, by drawing from existing stocks, by transfer of resources from one industry to another (see below) or by price-changes so as to increase the popularity of the unpopular product and vice versa, or by two or all of these means.

Over considerable periods the prices charged for different products must vary. But if the General Staff keeps itself sufficiently informed about production, stocks and impending requirements, violent price-changes should be avoided.

It will be more difficult to avoid substantial price-changes in the earlier than in the later years, partly because the General Staff will lack experience, and partly because the introduction of Common Ownership and the levelling of incomes will cause increased demands for many products (*e.g.*, milk, and all the building materials) and reduced demands for others (*e.g.*, fur coats), and the exact dimension of these changes will be at first a question of trial and error.

Events of one kind or another may impose upon the General Staff the necessity of making modifications in the

plan itself. Some of these will be so important as to require the sanction of the Cabinet and of the House of Commons, others will not. It may be worth considering one or two typical examples of the circumstances which may arise.

Harvests can never be precisely calculated in advance. Suppose that by July a record plum crop is foreseen. It may be necessary to call off the whole of the road-building programme in the areas concerned so that road-workers may help to gather in the crop. In addition, it will be important to release or import more sugar in the relevant weeks; to conduct a vigorous publicity campaign in favour of bottling and jam-making; and perhaps to issue sugar to be sold at reduced prices to people who purchase plums from fruiterers. Instead of undertaking sensible proposals of this kind, we generally allow bumper fruit crops to rot, or leave the producer to find someone who will take them away free of charge.

Upon more careful investigation the General Staff may find that the plan decided on by the House of Commons will not work. If it has been decided to electrify such and such railways and to bring the telephone service up to a certain standard in the next few years, the General Staff may find that this will bring our productive resources up against bottle-necks in the electrical industry. It will then have to invite the community to decide between heavy expenditure of labour on the rapid construction of specialised factories which may not be useful again, and, on the other hand, a postponement of the execution of that part of the plan.

Entirely new inventions may be made which, if they had been made earlier, would have suggested a rather different plan. In this case the General Staff will make the relevant suggestions to the Cabinet.

Facts not appreciated previously may be brought to light by more careful investigation. When the plan was made people may not have realised that, for example, a substantial

investment of man-hours in cotton-spinning machinery would increase the production of the cotton industry out of all knowledge.

It will be suggested later that a community owning its major resources can perfectly well conduct foreign trade, but developments in other countries may cause the Economic Staff to suggest changes in our proposals for overseas sales and purchases which, in their turn, may necessitate changes at home.

In addition, the Economic General Staff, or one of its departments, will have to administer in detail the location of industries. The general plan will have to be made by Cabinet and Parliament, because the decision either to take new industries to the villages of South Wales, or to try to create the conditions in which some of the Welsh miners will move to more flourishing parts of the country, raises issues of social and political as well as economic importance. But the detailed decisions will be administered by the Economic General Staff. Industries will submit their demands and requirements for new sites ; if they have special reasons for preferring one site or one class of site to others, then these reasons will be given. The whole question will be open to discussion between the General Staff and the industry concerned. But I think in the last resort the General Staff must decide. Once again it will, of course, make mistakes. But these mistakes cannot be as disastrous as those which arise when the whole thing is left to profit and loss or to the whim of particular owners.

In fact, the Economic General Staff will be precisely what its name implies. In war the Cabinet and the Supreme Command decide, as a matter of major strategy, that an attack shall be launched in a certain place at a certain time. The General Staff then has to work out what this will mean in terms of so many men in such and such places, so many ships disposed at such and such points, so much petrol, so much food and so much ammunition. Having made these

decisions, large-scale orders are passed to the relevant departments of necessary Services. These have to settle the precise details by which, for example, the necessary share of all the food available for the campaign shall be loaded on to the particular destroyer which will receive its detailed sailing orders from a Commander who has himself received his general orders from the Staff.

In the same way the Cabinet and Parliament will make the major plan. The Economic Staff will convert this into orders to the different industries. The industries will be responsible for their detailed execution.

This is, I think, a strictly accurate account of the chain of authority. Cabinet responsible for making the major plan; General Staff responsible for translating this plan into large-scale orders; industries responsible for executing the orders.

The machinery by which each unit in the chain will discharge its responsibility is slightly more complicated. The Economic Staff will prepare first of all a provisional series of general orders to industries. These provisional orders go to the Councils of Industries. The Councils make a provisional allocation of the orders to the different factories within the industry. These provisional allocations are discussed by all the workers, skilled and unskilled, technicians and managers, within the factory. I do mean, quite literally, that every single man in the factory must be given his chance of expressing his view on the provisional demand made on the factory—how it can be best carried out, whether the factory can expect to produce more than is demanded, and if so how much more, and so on. No doubt the technicians will be devoting more scientific attention to all the problems than will be possible for the unskilled workers. But every man must be given his chance of making his contribution. This is an important example of the fact that democracy is not merely the right to vote against Governments; it is also the right to the maximum participation by the

greatest possible number of people in the conduct of the life of the community.

As a result of these discussions factories will report back to the Councils of Industry what they can do. Councils of Industry will report back to the General Staff. The General Staff will then have to make its adjustments. It may have to submit a new provisional scheme to some industries. If, for example, the electrical industry shows that in its present state it cannot produce all that is demanded, the General Staff may have to inquire whether it could fulfil demands if certain resources were immediately devoted to increasing its capacity. But as a result of interchanges of this kind the general plan will be made, and the general orders will be issued.

If it is suggested that this process seems too complicated, then it must be observed that this is in fact the process which has been operated in the Soviet Union. It is quite true that it has been operated imperfectly. With a far more highly skilled man-power, with men far more accustomed to all the processes of discussion, and with the maintenance of our democratic institutions, we ought to be able to do it much better than they have. But do let us be quite clear that, imperfectly as this system may have worked in the U.S.S.R., it has worked.

The controversy about the ultimate efficiency of the Soviet Union is now ended. We need no longer guess. We know.

Until now it has always been possible to express the view that Soviet experience proves the technical inefficiency of Common Ownership. People could say that their production was delayed by senseless political commissars; that their products were inferior; that in any case they would not know how to maintain them in use. These things can be said no longer. They have been disproved beyond all possibility of argument. We now know that a great country, starting with engineering resources as limited as those of India in 1917, starting with a population as un-

skilled and as illiterate as the population of India today, has in fact built up the mechanised army, navy and air force which have maintained themselves for five months against the full fury of Nazi militarism. Even if there has been a total collapse before these words are printed nothing can detract from this performance. Since the armistice in 1918 no other country in the world, starting with such meagre resources, has produced any result which for sheer efficiency can hold a candle to this Soviet achievement. It is no use now for returning visitors to talk about the squalor of the Russian streets, or the low standard of living as a proof of the inefficiency of Common Ownership. These things may well be true. But what might their streets have been today, what might their standard of living have been today, if they had not been compelled to devote everything which they could spare to the task of building up their armed forces?

Judged by any standards of efficiency, the Soviet Union has proved that the suggestion I make for the development of the plan by the Economic General Staff is one which can quite certainly work.

The Economic Staff will be a very substantial organisation. It will accumulate information about every aspect of the economic development of the country. It will work in the closest conjunction with the Ministry of Man-Power, the Publicity Commission, and the Commission for Major Developments.

It will often face minor, and sometimes major crises. Some examples of these have already been given. But if one filled a whole book with examples one could not exhaust all the ways in which one department of our national endeavour will lag behind or run ahead of another. No Economic General Staff, even of supermen, working under any system, however perfect, could possibly prevent this from happening. Of course we shall find factories built before the machines

are ready to move into them. Completed housing estates may remain untenanted because of a hold-up in the glass industry. And so on. Some of the resulting situations in the early years while the Staff is inexperienced will be serious, exasperating or farcical, according to one's point of view.

Those who criticise will have to be reminded that gluts and shortages were not unknown under our present system; and that in the face of a shortage of food in this country men have stood idle in their millions in sight of uncultivated land. This will not occur under Common Ownership.



## CHAPTER NINE

### HOW WILL AN INDUSTRY WORK?

EACH industry will be presided over by a Council. The great majority of the members of this Council will be drawn from the industry itself, and no doubt they will represent the managers, the technicians and all the different grades of workers in the industry. They will probably welcome the participation of representatives of other industries with which they are connected either by reason of their buying raw materials from them, or by reason of their selling finished products to them.

After the first few years it may not be necessary for the Government as such to appoint any members to the Councils, and certainly at no time should Government representatives form a majority. But in the earliest years it will almost certainly be necessary for the Government to ensure that there are on these Councils some men who quite unquestionably understand the atmosphere and purpose of the new form of society; for it is possible that otherwise a Council chosen from the industry itself might be dominated by men who, even with the best will in the world, might still be restricted in their outlook by their experiences within the old system.

These Councils will be responsible for all matters of common interest to the industry. We have seen already what part they will play in representing the capacities of the industry to the General Staff and the demands of the General Staff to the industry.

In addition, the Councils will establish grades and standards, and the "trade marks" of the Councils will be the

consumers' -absolute guarantee of quality. They will also establish common accountancy practices throughout the industry, so that the financial position of the different factories can be readily and accurately compared. They will also arrange for the most complete exchange of information between factories.

But their most important function will be to allocate orders amongst the different factories and to decide which factories shall be expanded or contracted and (subject to the decisions of the Economic General Staff) where new factories shall be established.

In allocating orders they will behave very differently from the "rationalised" industries now in private hands. These very frequently allocate orders on the basis of each factory producing a certain percentage of its capacity, the purpose being to prevent a too great output from adversely affecting the general rate of profit. This policy, profitable to the private owners of the factories concerned, is extremely damaging to the community. For it is in our interest that every factory shall work to 100% capacity, and not less. This will be the aim of the Council of each industry.

Of course, this task will be comparatively simple so long as the total demands of the Economic General Staff are equal to, or exceed, the total productive capacity of the industry. While that continues to be the case the Council will not be telling each factory what to produce, it will be asking how much it can produce. It will also be considering its policy for expanding the capacity of the industry as a whole.

More difficult problems will arise in the case of an industry which may be asked to produce rather less than its total capacity. It may be thought that under Common Ownership this possibility cannot arise. But it most certainly can. New developments may quite well make the product of an old-established industry entirely obsolete.

We shall naturally expect that the members of the Council of any particular industry will struggle to resist the conclusion

that their industry is becoming obsolete. Some people think that this is a grave disadvantage, and it undoubtedly presents certain dangers. But it may be no bad thing that we should not condemn any industry as obsolete until somebody has urged every possible consideration in its favour. The Economic General Staff should be competent to weigh the considerations put forward, and beyond doubt it will be obliged to decide from time to time that the output of some industries shall be reduced in order to liberate productive resources—and in particular in order to liberate man-power—for industries which are proving themselves more useful.

This much, however, can be said. When the output of an industry has to be reduced, this will not be achieved by putting all the factories onto, say, 75% capacity. On the contrary, if a reduction of 25% in the output is required, 25% of the factories will be closed entirely (or adapted for other purposes), while the remaining factories will continue to work at 100% capacity. This obviously efficient procedure is very rarely possible under private ownership.

Even then—even in an industry whose products are in reduced demand—we shall not have to close any factory and stop the men from working at their old job until we are ready to offer them at once either alternative work, or training for alternative work.

Lastly, it seems likely that the Councils of each industry will be largely or even wholly responsible for the promotion of personnel to the highest positions in each factory. If for any reason the position of general manager of one of the largest factories becomes vacant, it will have to be filled, either by the promotion of someone from within that factory, or by the transfer of some general manager from some smaller factory. It is reasonable to expect that this choice will usually be made by the Council of the Industry concerned.

## CHAPTER TEN

### HOW WILL A FACTORY WORK?

**W**HO will run the individual factories?

It is at this point that we have to make the most complete break from the gloomy picture which arises in the minds of most men when they use the word "Socialism". As they usually see it, factories will be run by Civil Servants. It is supposed that some young man will enter the Civil Service—say the Treasury—by the ordinary Civil Service examination. Then, provided he makes no mistakes, he will automatically rise until the day comes when he is appointed to a controlling position in a little factory of some kind. Thereafter he will steadily rise to ever higher and higher positions, all the time obliterating the sharp edge of enterprise in a snowstorm of duplicated forms.

This picture bears no relation whatever to the facts as they will emerge.

Each factory will be run by the men who work in it. In one sense it will be quite literally run by all of them. All, down to the very humblest, will have a right to be brought into consultation on all matters of general policy. All will not only be allowed but encouraged to express their views on the particular part of the work which they are doing. It is almost impossible to exaggerate the importance of the results which may follow. Private ownership has substantially failed to tap the immense resources of inventive genius of the man who actually has to do the job of work in hand.

None the less, it will not be true to say that every executive decision will have to wait until it can be thrashed out by

some kind of vast debating society in which every worker will participate. The detailed executive decisions will be taken by a comparatively small group of men in the light of the general consultations which they will hold with all who work in the factory. This small group of men will normally consist of the managers and technicians engaged in the factory, together with perhaps an approximately equal number of representatives of the different grades of workers employed.

In other words, each factory will be managed by men who have lived their lives in the industry which they manage, and not by Civil Servants "sent down" by Whitehall.

Moreover, these factory executives will be perfectly free to get on with the job in their own way. The Council of their industry will tell them what to produce. It will not tell them how to produce it. That will be their affair. Where there are alternative methods of doing the same thing, they will have to decide which to adopt. No doubt there will be certain questions of major policy on which they will desire the advice of the Council. But these will be just the same kind of questions as those on which the managers and technicians in one of a group of amalgamated factories would today have to seek the direction of the Board which runs the whole amalgamation.

It is at this point that we see how important it is for each factory to keep its separate balance sheet. Under Common Ownership it is not necessary to close a particular factory merely because its balance sheet shows a negative result. The factory will not be closed unless and until we find the men something better to do, and, as explained in an appendix, it is almost certain that some factories will be running in such circumstances as will result in their "making a loss" in the capitalist sense of those words.

The importance of the balance sheet, however, is this: that it does give us one way—not the only way, but one way—of comparing the relative success of different factories. And if factory executives are being judged in part on their financial

results, then when they decide, for example, that they could with advantage use a new crane in their loading bay, all they have to do is to go and buy it.

This possibility may seem rather alarming to some doctrinaire Socialists, for they will say that if each factory executive is to be allowed to go out and buy things on their own hook, so to speak, then we shall reproduce capitalist chaos. I think this objection arises from the fact that in the last half-century the arguments in favour of Socialism have substantially changed. Fifty years ago, when all the resources were more or less employed, the best argument for Socialism was that capitalism employed these resources chaotically. Today the best economic argument is that some of the resources are not employed by capitalism at all.

If each factory executive is free either to buy or not to buy a crane, I quite admit that the Economic General Staff will have to estimate the number of cranes which its total programme will require, and that this estimate may prove faulty. This may lead to a certain amount of disequilibrium. But let the alternative be squarely faced. If each factory executive is not free to go out and buy a crane, then the only alternative is that they shall "indent" for a crane as we do in the army today, and some branch of the Economic General Staff will have to decide whether they shall have it. This way, it seems to me, leads to the very stagnation and bureaucracy which the opponents of Common Ownership fear. I believe our resources, when fully employed, are so great, and our power of making a general estimate of the number of cranes that are required will be found on the whole to be so adequate, that we can well tolerate a certain amount of the alleged "chaos" in order to be quite sure that each executive can really run its own factory in its own way.

But a very important question still remains.

If the credit balances of the relatively successful factories go to the community as a whole, and if the debit balances of the relatively unsuccessful factories are made good by the commu-

nity as a whole, who will have any incentive to see that each factory is really efficient, and what will that incentive be?

My own view is that under the new system of Common Ownership we shall be able to establish an entirely new atmosphere throughout all industry. We shall be working not for some individual, but for the community. I believe there is growing up now a generation of men and women who will be well able to serve the community with enterprise, enthusiasm and efficiency, simply for the sake of the job well done. Therefore in what follows I am giving my answer to those who think that it will be impossible to establish the new atmosphere—or impossible to establish it in time, or impossible to establish it sufficiently universally, to get all the work of the world well done. Or, if it is preferred, I am proposing to show what other motives for enthusiastic efficiency can be called in to supplement and reinforce the motive of service to the community as a whole.

To this end I will first ask, What is the incentive which secures the efficiency of our major factories today?

It is argued that there is an inseparable connection between private profit and efficiency. This must mean that a man cannot have sufficient inducement to make a factory efficient unless he will receive the profits resulting from its efficiency or bear the loss resulting from its inefficiency. The argument must be that a "salaried official" cannot be relied upon diligently to pursue the efficiency of the factory in which he is employed.

This argument surely ignores the fact that in nine-tenths of our big factories the questions relating to technical efficiency are not settled by the men who will bear the loss of inefficiency and reap the reward of efficiency. Technical efficiency is not in the hands of the many small shareholders, nor even of the few giant shareholders who control general output policy. Technical efficiency at this very moment is in the hands of salaried officials employed by the boards of directors as their servants.

What incentives have these salaried officials today?

First of all it may be said that they hope for increased salaries if they are so efficient as to deserve (or to receive) promotion to higher positions. This incentive is probably a real one in the case of many men. It can be in some measure reproduced under Common Ownership, but not in the same measure as under private ownership, since I think it is certain that the range of salaries from the highest to the lowest will be smaller in the new society than it is today.

But I believe most technicians and managers will agree that the quest of a larger salary is not the main incentive which makes a man do his best. Together with the sheer love of a job well done (which as an incentive will clearly be enhanced under Common Ownership), the other real incentive is the desire for an increasing scope for one's activities.

The man who is a sub-manager works as efficiently as he can because he hopes to become a manager. He hopes to become a manager partly no doubt for the increased salary, but mainly because it will give him an increased scope for his work.

Similarly, the team of men who exercise the final detailed decisions over the work of a particular factory will do their best in order that their scope may be increased. If in their factory the relations between all who work together are known to be happy, if the factory produces its goods on time, if its balance sheet is satisfactory, then individuals from amongst the team are likely to be chosen for positions in larger factories, and when the Council of their industry decides to expand capacity it will make extensions to their factory rather than to one which is less well run. The scope of the individual or of the team will be increased. This motive is at work to-day whenever several factories are owned by one holding company. It will work even more effectively when the factories are owned by the community.

It is really a matter of personal choice whether you believe that this motive will be secondary—reinforcing the motive of



service to the community—or whether you believe it will be primary. If it be secondary, it will be a powerful reinforcement. If it be primary, it will be sufficient.

There is surely this, too, that can be said. There may be circumstances in which the desire for increased economic gain for oneself can be integrated with the well-being of the community. But in general the desire for increased economic gain is liable to be an anti-social desire. On the other hand, there can be circumstances in which the desire for an increased scope for one's activities can act in an anti-social sense. But in most cases it will be found much easier to fit this desire in the heart of each individual man into the general purposes of the community as a whole.

There is one more incentive which should be mentioned. It exists today, and it will exist in greater measure under Common Ownership. It is the desire for the honour and glory of being known, either by many or by few, as the man, or group of men, who have done a good job of work.

I am told by men in the engineering industry, and I find it very easy to believe, that in many senses the competition between different parts of the Morris motors enterprise is actually keener than the competition between that enterprise and the factories owned by Austins. The men working on the Wolseley motors exert their highest endeavours not in order to beat Austins, but in order to "show those fellows at Cowley that *we* know how to design an engine". If the engine they produce is so good that the public prefers their product to the Austin product, this no doubt gives them some satisfaction. But a yet higher satisfaction is theirs when ideas which they have produced are taken up by the management of the enterprise as a whole and pressed upon their "rivals" in its other branches. This is something which is happening today whenever several factories are owned by one amalgamation. It is surely reasonable to assume that the force of this incentive will be enormously increased when all the factories are owned in common.

I therefore suggest that we can dismiss the gloomy picture of stagnant factories controlled by Civil Servants who have no personal incentive to make them efficient. One incentive—the desire for a much larger salary—may be somewhat diminished, as there will be no *much* larger salaries. Other incentives will be increased. And the entirely new incentive of service to the whole community will be introduced for the first time.

I do not say that these incentives will give us 100% efficiency, or that the promotion scheme which I shall describe later will guarantee that no incompetent shall ever hold a position of authority. But on balance the incentives to efficiency will be greater than they are today. The men who run our factories will be the men who have been brought up in the industries. They will be just as free as they are now to run their own show. They will be employed by the representatives of the community whose policy will be expansion for use, and not by the representatives of individual interests whose policy is too often restriction for profit.

## CHAPTER ELEVEN

### WAGES AND SOCIAL SERVICES

THE preceding chapter may have seemed to place too great an emphasis on the work of managers and technicians. But it was necessary to deal with their position at length because in the last resort they will be responsible for the technical efficiency of the whole enterprise. They will consult with workers in all grades on all manner of problems. After a very few years every technician and manager will have started life in exactly the same position as anyone else. But in each factory there will be at any moment a comparatively small group of men who will be held finally responsible for the success or failure of the whole concern. These will be managers and technicians. Opponents of Common Ownership have paid so much attention to the argument that this system will make it impossible for these men to do their job, that it seemed essential to deal carefully and at length with the argument, in order to show that it is not well founded.

This, however, must not blind us to the fact that although everyone will have an equal chance of becoming a manager or a technician, the great majority will not do so, and our new system will be judged a success or failure by what it does for the ordinary men and women of the country.

How will these be paid? What will they receive in old age or sickness? What will happen to them when they are unemployed?<sup>1</sup>

Before dealing with these problems in detail it is important

<sup>1</sup> I have spoken with absolute confidence of the abolition of unemployment-

to realise that under Common Ownership we can make any distribution of our total national income which we think fit, and we need not worry about the effect of any such decision on the total volume of output. Of course if we make a distribution of income which is widely removed from the general wishes of the people as a whole, there will be a lowering of enthusiasm, a reduction of output, and eventually a change of Government and a more popular distribution. But so long as we keep within the limits which ordinary men and women would agree to be fair and reasonable, we can distribute our total income as we choose, without asking whether total output will be thereby reduced.

This is not so today. For example, supposing we decide that those who are sick ought to have an increased share of the national income, then even after we are agreed upon this in principle, we have still to ask whether we can afford it in practice. For the money will have to be raised by taxation, or by direct contribution to an insurance scheme from employer and worker. If such a proposal is made, many employers will say that if they are forced to pay higher taxes out of their profits, or to make larger contributions, they will not be able to keep so many people employed, and in consequence the last state of the people may be worse than the first.

This cannot happen under Common Ownership. Naturally we cannot decide to give more to those who are sick without having less for those who are not. But if we decide to forego a larger portion of our income than formerly in order that the sick may have more, we only have to make the decision, and the Financial Authority can make the necessary adjustments, without anything untoward happening to our production programme. The work will go on in just the same

ment. This is quite correct. There will be no unemployment as we have known it in these last years. But sometimes a week or so may elapse between the ending of one job and the finding of another.

way, and no one will say, "I can't afford to employ you now that I have to make such contributions to your ill health."

Indeed, the major problem of the Financial Authority will be to ensure that the total of the money incomes of all the people corresponds pretty closely to the total of the money prices of all that the community produces for consumption. In this way, although of course errors will lead us to produce rather more of one thing and rather less of another than it turns out that the public requires, no great masses of produce will remain unsold, and no vast sums of money will remain unspendable.

Provided the total of all the incomes is more or less equal to the total of all the prices of all the goods produced, it is quite clear that we can divide the incomes of the community amongst its members *in any way which seems just*.

It is not possible for a single author to make any confident forecasts about the way in which we would in fact decide to divide up our total national income. But it is possible to lay down the general principle.

*A man's reward will not in the least depend on his own power to extract an income for himself out of the community.*

*A man's reward will depend on his rights as a member of the community, and these rights will be judged and determined by his fellows on the basis of his needs and of his ability to serve the community.*

The author makes the following suggestions as to the conclusions which we may reach when we approach the whole problem on the basis of needs and ability.

There will be extra pay for skilled work and for responsible work. The present author hopes that the income of the most responsible executive over and above the necessary expenses of his position will not exceed the income of the lowest-paid worker by more than ten to one. He would himself prefer a ratio of five to one. But this is clearly a

decision on which we shall have to ascertain the average views of the community as a whole.

Dangerous and dirty work will certainly be rewarded with increased income.

The initial decisions which will have to be made about relative wage rates will be of vital importance. They will only be reached as a result of most widespread discussion with workers of all kinds, sometimes direct, but more often through their trade union representatives. They will doubtless cause a good deal of dissatisfaction to those highly paid men whose incomes may have to come down. If the change is made during the war, the general readiness to make sacrifices should tide us over the period of difficulty. If it is made in time of peace, the reduction in the incomes paid to present owners of the large properties will release a considerable fund, which will enable us to produce the desired results mainly by levelling up and only to a very small extent by levelling down. In addition, once we direct to the tasks of peace the stupendous energies now involved in the tasks of war, we should be able to promise an increase in real income to almost everyone within a not too distant future.

All the same, it will not be an easy matter to decide the relative wages as between a refuse collector, an engine-driver, a machine-setter, a linotype worker, a charge-hand, a foreman, a member of parliament, a doctor, a typist, a factory manager and an agricultural worker. We shall not make the right decisions at the first attempt, and our errors will expose themselves when we have fewer applicants than we need for the under-paid occupations, and more than we can employ for the over-paid. When such situations arise we shall have to make the necessary adjustments in the rewards. If we find that we want more men working on the land, we shall simply decide to offer more to those who are prepared to do so.

Women will receive the same pay as men.

Bringing up a family will be regarded as a job of work

justifying an income, both on account of the needs and of the ability of the mother. The income for motherhood will be calculated fully to cover the extra cost of whatever number of children she may bear. Thus all economic incentive against parenthood will be removed. The only valid argument against family allowances—that they might tend to keep wages down—will disappear under Common Ownership.

Those who are incapacitated by illness or accident will receive free of cost everything required for the treatment and cure of their disability. Their other needs during illness will be somewhat less than during health. (They will not have to pay for travel, and they will hardly be going to the cinema.) Therefore it might be reasonable to pay a smaller income to those disabled. But in any case the reduction should not be very great, and there should not be a cast-iron rule, because that which might be fair during a short attack of influenza might be very unfair during a disability lasting for many years.<sup>1</sup>

It is probable that we shall pay somewhat reduced incomes to those who retire in old age, on the grounds that their needs will be rather smaller. But this is not certain.

Already some readers will be asking how we can possibly afford all this. They will be thinking of insurance stamps up to 3s. per week from the worker and perhaps 5s. 6d. per week from the employer, and an enormous contribution from taxation to be extracted from the individual. When we say that in addition to all these things everyone's education will be free, it may seem that we are speaking of something impossible.

But we are not. All these things are possible. And there is no magic about any of them. Nor, indeed, is it true that

<sup>1</sup> A special department of the medical services will have to study the needs of those disabled for prolonged periods and find them the occupations, if any, which are consistent with their disabilities.

we shall receive any of them free—we shall, of course, have to pay for every one of them. But not as we pay for them today. And certainly not through taxation or insurance stamps.<sup>1</sup>

If it were true that no one was ever ill, that no one had to be taken out of directly productive enterprise into the medical service, that children were born into the world at the age of sixteen fully trained and educated, and that no one ever grew old, everything would be very easy. The total national income would certainly be larger than it is in the world as we actually know it. Each individual would therefore enjoy a larger individual income than he does in the real world. Suppose this imaginary large individual income is represented by the figure 100 units. The question we have to decide is this: Is it wise to reduce everyone's individual income from 100 to, say, 90 in order that those who are sick may continue to receive almost the same income as before and enjoy free medical attention? Is it worth reducing it farther to 75 so that those who are old may enjoy an income without working, and to 60 so that child-bearing may cease to be an economic burden, and to 50 in order that children may be educated and trained to take their fullest part in the work of the community? The author does not know whether these are the correct reductions to make in order to cover the costs of the services he mentions. But if they are more or less correct, it may seem that a reduction from a possible 100 to an actual 50 is a terrible price to pay for all these things. So it may be. But it must be remem-

<sup>1</sup> It has been suggested by someone reading the draft of this chapter that it will still remain advisable to make people pay contributions to a Health Insurance Fund, because when people have paid for something they do not regard it as charity. Apart from administrative expense, there is very little in it. Either you can pay men a higher wage and take something back as an insurance premium, or you can pay them a smaller wage in the first place and take nothing back. There may be some psychological force in the suggestion that is made. But in my own view the whole atmosphere of the new society will be so completely different that it will become absurd even to think of payments to the sick in terms of charity.



bered that the 100 is not, in fact, a possibility. We shall confidently expect to reduce ill-health, but as long as there is ill-health it is surely best to make provision for it by accepting a lower regular income when we are well in the knowledge that this income will continue, with free medical service, should we have the misfortune to be ill. Children must be brought up and educated. It is surely better to pay for this by deciding that we will all accept a lower regular income, rather than to throw the whole cost on to those who commit the "offence" of child-bearing. In any event, we can make whatever decisions we like on these points, and remain quite confident that such decisions will not affect the total income of the community.

Indeed, our decision to pay for the whole of education, for example, will certainly increase the total income of the community. If a man's working life is forty-four years—from sixteen to sixty—it is quite certain that that man will produce more goods in his working life if he spends at least the first two years—from sixteen to eighteen—in receiving additional education and training. If this is true of each individual, it must be true of the community as a whole. We shall all receive more in the end if in the first instance we will agree to receive less in order that education may go on until eighteen.

The problem of payment during temporary unemployment must be left until the next chapter.

## CHOOSE YOUR JOB

THE different industries having received their orders from the Economic General Staff, and the industrial<sup>1</sup> Councils having allocated them to the different factories, the factories will not only decide on their own methods, buy their own materials from other industries and manage their own internal affairs; they will also make their own independent demands on man-power.

In this last sentence we demolish the terrifying conception of one super-authority ordering each man to do just such and such a definite job whether he likes it or not—the alternative being to starve. It is with this picture that the opponents of Common Ownership have succeeded in frightening great numbers of working people into voting for private ownership. “True,” runs the argument, “a number of us who own property are very much richer than you are. True, we represent a very small proportion of the community. (The fact that 1% of all the people own more than 50% of all the property is not usually emphasised.) None the less there are still quite a lot of us, and if you do not like one employer you are always free to try another. If you want to lay bricks, and your present employer wants you to lay concrete, you can always look for the man who wants a bricklayer. But don’t you realise that under a Socialist Government an official in a peaked cap would tell you just what to do, and you don’t want a soldier with a bayonet standing over you to see that you do it, do you?”<sup>1</sup>

<sup>1</sup> Many who have not engaged in controversial politics will hardly  
D (W.B.L.)

There will be no super-organisation allotting to each man his one and only task. On the contrary, innumerable factories will be actively competing for the services of the people.

We can adopt a very simple device to make sure that this competition is really active. When the Economic General Staff has received the final comments of every industry on its proposed major plan, it will form some idea of what each industry can do. It will then make a plan for, say, twelve and a half months, and will order that plan to be completed in a year. If by any chance there still appears to be any sluggishness in the demand for man-power, either generally or in a particular area, the Economic General Staff can dispose of the matter merely by ordering that something else shall be done. (See later, however, as to the participation of the Ministry of Man-Power in this kind of work.)

Though the effect of this device is almost entirely psychological, it none the less remains of the first importance. For it will ensure at all times that what we call today "the demand for labour", and will call tomorrow "the opportunities for service", will always exceed the number of workers who seek opportunities to serve.

This must mean that whenever any man is finished with one job he will find at the local branches of the Ministry of Man-Power a very large number of alternative jobs which are open to him.

Of course the effect of giving men a free choice of all the jobs which are going will be that some industries will secure rather more and some industries rather fewer workers than would be theoretically most desirable from a purely economic point of view. What will happen in effect will be that when we order every industry and factory to produce rather more than we think is possible, some industries will surprise us by actually achieving the orders in full, while others may lag

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believe me when I say that this is a precise reproduction of exactly the argument which is very frequently used against us from platforms.

even farther behind than we expected. This, of course, will lead to danger. If we allowed the situation to develop unchecked for a long period the results would of course be serious. For this reason when we find too many workers entering one occupation, and too few entering another, we shall have to take steps to reverse the trends. This danger is the price we have to pay in order that everyone may have a wide liberty of choice of employment. We do desire this liberty, and we must therefore expect to have to pay a price for it.

But the price need not be serious. If too many men want to be coal-miners, and too few want to be bricklayers, then we shall have rather more coal than we expected (and may have to reduce its price) and our rebuilding programme will not advance quite so fast as we hoped. This is almost the worst that can happen.

This will be the most important task of the Ministry of Man-Power.

This Ministry will work in the closest co-operation with the Economic General Staff. Together with the Economic Staff it will carefully watch the progress reports from all industries and consider the extent to which they are performing or falling behind their orders. In fact, from all the information available, it will form a picture, varying from month to month, of the occupations for which there are too few, and the occupations for which there are too many applicants.

The first instrument which the Ministry of Man-Power will use for dealing with its problems will be publicity. This publicity may take the form of posters or Press announcements calling attention to those occupations for which applicants are most needed, and urging their importance from the point of view of the community's total endeavours.<sup>1</sup> At the same time the Ministry will instruct its branches

<sup>1</sup> In war-time, of course, we accept the principle of compulsion. But it is quite evident that the various Ministries are of the opinion that they can affect that part of our freedom of choice which remains to us by advertising the importance of their particular work.

to draw attention to the occupations for which there are too few applicants. These two measures will very often be enough.

However, it is quite certain that situations will arise when persuasion and publicity will not be enough. In such cases it will be of the utmost importance to find out why the unpopular occupations are unpopular. Over considerable periods the rewards paid for different jobs may vary substantially. But except as a last resort it will be extremely undesirable to try to make unpopular jobs more attractive by sudden increases in pay. In almost all cases some other means will be found. If coal-mining proves to be unpopular because it means living in small villages far from the towns, then improved bus services, rapid development of village halls and extended facilities for every kind of recreational development might meet the situation. It would be legitimate to shorten hours where it would be illegitimate to increase wages. Or longer holidays could be given. Whatever the cause or causes of the unpopularity of any employment might be, appropriate steps could be taken to overcome them. And these would serve as the basis for a further attempt to popularise the industry by publicity.

What has been described so far, though it will go a long way and will achieve better results than the present system, is unlikely of itself to prove sufficient to give every man a job for which he is fitted. The Ministry of Man-Power will have to supplement these measures in two ways—by emergency employment and by training.

Common Ownership will find the training problem much easier than does private ownership. A trained worker may leave a private employer, and, if he does so, all the time given to his training is so much loss. But apart from emigration, skilled workers cannot leave the community. The community therefore can take a perfectly realistic view of the situation. Each worker is to be paid his wage, whatever it may be, whether he is in productive employment or not.

The simple question arises then, Shall we, in the next twenty years, produce more goods by having all our workers in productive employment all the time, or will it be better to have some of them, and if so how many, in training for jobs more skilled than they can at present undertake? It must surely be clear that even in a quite short run it will be overwhelmingly worth while to have large numbers in training. I shall not be in the least surprised to find that it "pays" to have anything up to 10% of all the workers all the time in training.

This makes it vastly easier to find the men we need for the work that has to be done and to give men the work they want to do. When a man has finished with one job, then, if there is no further job open to him which he feels inclined to accept, it will be hard for him to refuse one or other of the opportunities for training. And, looking at the problem the other way round, if we need more bricklayers, and no men come forward who are ready and able to lay bricks, training is once again the answer.

There remains the problem of the unskilled worker who does not want to undertake any training, but who simply wants a job which he can do. It may happen that in any particular area there may be no factory asking for the services of such a man. To meet this case the Ministry of Man-Power should be itself a direct employer, and it should develop a reserve of jobs of no very pressing urgency and requiring little or no skill. Consider, for example, the improvement of our secondary roads. We would like these roads to be better, but, on the other hand, we can get on as we are. It may be therefore that the improvement of secondary roads will be a task undertaken directly by the local branches of the Ministry of Man-Power, and tackled whenever there happen to be unskilled workers available and no other opportunities for their employment.

A man should be entitled to give up his job without question asked. But subject to discussion with others who agree

about the fundamental principles of Common Ownership, I think it will be wise and fair to insist on as much as one month's notice either from the man or from the factory.

Even with this one month's notice, and even with the high demand for man-power which Common Ownership will provide, it is still certain that men may have to wait a little while between one job and the next. It is of vital importance that this temporary and transitional unemployment should be connected up with the whole idea of holidays. Once we are assured that there is bound to be some suitable job available within a measurable number of weeks, all the anxiety is taken out of unemployment, and it should be a period of genuine relaxation. If the Ministry of Man-Power is, for any short period, unable to offer a man any suitable job at all, then he should be paid an income either the same as, or very little less than, he was receiving when last in work.<sup>1</sup>

But it may well happen that though the Ministry of Man-Power makes a man an offer of jobs which any tribunal would consider perfectly reasonable, yet for his own reasons the man himself may not feel inclined to accept any of them. To meet this situation I would suggest that every man, on his first employment, should make modest compulsory contributions to his own "Holiday Fund". After this Fund had reached a total of perhaps some £10, further contributions should be voluntary, and withdrawals down to the £10 limit should be payable on demand. But the existence of this Fund standing in each man's name would mean that if he did not choose to accept any of the jobs offered, he could maintain himself—"on holiday"—for three weeks or so while looking round for something else. If he had accumulated a larger fund he could take a longer holiday. It is true that those who

<sup>1</sup> The valid grounds for a possible reduction would be that a man without a job does not have to travel, does not have to take a meal with him to work (though the importance of this will be reduced by the establishment of far more factory canteens), and in any case ought to be able to find something useful to do with his time either around his house or otherwise.

took such holidays would be making no contribution to the well-being of the community. But this would only be a counterbalance to the period when they were accumulating their funds, and therefore not consuming all that they were entitled to.

If after his funds were exhausted, and in spite of there being suitable jobs on offer, a man still refused to take any of them, he would then become a "case" for special treatment. This treatment would range all the way from a serious discussion in his own home with a man specially trained for the work, through a period of service in a camp specially run for the rehabilitation of citizens who would not take their part in the normal work of the community, and finally to treatment for mental pathology.

It might be found necessary, and if necessary it would not be unreasonable, to insist that a man who had given up his job for his own reasons should not do so again within six months, and should not do so for the third time within eighteen months without the consent of the factory in which he worked. Whether this step proves necessary will depend on the behaviour of the majority of our people. The Russians, I believe, found a real problem in the desire of some people to move about and see the country that had become theirs. If this problem arises on a small scale only, no special steps will be needed to deal with it.

In my view it will be better to give up entirely the whole idea of "references" for men who leave any employment. We are likely to develop a very full industrial code, which I believe committees chosen by ourselves will be well able to administer.<sup>1</sup> If a man has done well he will deserve promotion, which will normally carry with it some increase in his reward. If he wants to change to some other employment, the fact that he had been promoted in his previous employment will of

<sup>1</sup> Once again, it does not seem worth while to attempt to forecast in precise detail by what means the men working in any particular factory will choose the Committee to administer the industrial code.



course be recorded and will stand to his credit. If a man has committed a crime against any of the laws, then he will have to be punished.<sup>1</sup> If a man has not lived up to the industrial code, action of some kind may have been taken against him. In either of these cases the matter should be regarded as wiped off the slate, and no record of it should remain. If a man be proved unable to fill a post to which he has been promoted, then he will be demoted, and though no one need know that he was once a foreman, the fact that he is not now a foreman will appear to any factory to which he offers his services. Surely this is enough. Surely we are running into grave dangers if we allow some individual or some Committee in a factory in which a man has been employed to record the fact that he was a first-class worker. If we allow this, then some other factory in which some other man seeks employment will ask why his record does not speak so highly of him. Economically speaking, it would be an advantage to each factory, and therefore to the community, if each man carried with him an absolutely reliable testimonial as to his character. But we have to pay a small economic price for a great many things which are desirable on social or moral grounds, and it does seem desirable to run no risks of having amongst our community this man who has a grievance because someone who did not like him personally put a black mark or failed to put a good mark on his record.

Reading all this, the traditional employer will certainly say that it must lead to utter chaos. "You will never know where your are," he will say—"there will be no way of keeping men steadily at their jobs. We shall have no hold over them whatever. Men will be free to do precisely what they like."

This is, indeed, exactly the point we have been aiming at.

<sup>1</sup> I know so little about the latest discoveries and proposals for the improvement of penal reform that I can make no suggestions on this subject. I have a feeling, however, that the atmosphere established by Common Ownership will prove favourable to the ideas of all the most advanced and humanitarian thinkers on this problem.

This is economic liberty. Economic liberty is in very truth the right to do what we like. This is what Common Ownership offers to all men. True, under Common Ownership the man who has property worth some thousands or tens of thousands of pounds will not have the right to do exactly what he likes with it—in particular he will not have the right to shut it up and prevent people from using it—because in the place of his property he will have the appropriate compensation income. This is, indeed, in itself a loss of liberty. But for every one who loses this liberty to do what he likes with his property, scores will gain the liberty to do what they like with their lives.

In any case, our opponents must decide which line they are going to take against us. They cannot simultaneously tell us that we are giving men too much liberty and tell the men that we will be standing over them with bayonets.

Of course I admit that if all are capriciously unreasonable we shall not succeed under Common Ownership. But if all men were capriciously unreasonable we should not succeed under any system. If all the coal-miners want to become bricklayers on the 1st of May, we shall face a crisis which could only be resolved either by bayonets or by some gentler means of not letting them do what they want. But this is not one of the situations which is likely to arise. Most men are extremely conservative in their tastes, and we are far more likely to face difficulties in our attempts to persuade men to change their employment than difficulties from their desiring to change too often. After all, what do men say about themselves and their hopes for their own future? If we really get down to it, nine-tenths of them say, "I don't want anything so very great—just some steady job which I can get on with. I don't want twenty pounds a week—just a steady wage, and a decent home, and the ordinary necessities and my own life to lead. I'd be quite content with that."

This is what men actually say. There is no reason what-

ever for thinking that they are not telling the truth and would not act accordingly.

Naturally, if men as a whole find from experience that, taking everything into account, the rewards, hours and conditions attached to one job compare unfavourably with those attached to some other, then there will be a steady drift away from the less favourable job as the years go by. This we can remedy by improving the conditions, and, over reasonably long periods, increasing the rewards. But we really need not fear capricious bounds of whole masses of men from one employment to another.

But the conventional employer may not have been thinking of the dangers which will arise from men changing their work. He may well think that unless we can threaten men with dismissal they will not work at all.

I do not believe it. A great many men by law cannot be dismissed today; and still greater numbers know that even if they did far less work, their employers could not afford to dismiss them because of the impossibility of finding alternative workers. And yet they work. It may be said that they work simply because of the communal excitement of the war effort, or from fear of Nazi slavery. I admit that these are powerful inducements. But they work in spite of many inducements to slackness which are provided by the present system. Opponents of Common Ownership may not believe it, but we really will produce a wholly new incentive to enterprising and conscientious work when we can look at all the resources of the country and say, "These things are ours, and all the produce is shared equitably amongst us." Under these conditions men working together will be the first to notice the deliberate slacker, and the most able to overcome his slackness.

Of course there will be men who will not respond at all to the new atmosphere, and men sufficiently thick-skinned to withstand the disapproval of those working closest to them and the social ostracism which will follow the slacker into his

private life. These men will present us with a quite serious problem, and I will not attempt to forecast the precise lines along which we shall have to deal with it.<sup>1</sup>

But it must be noticed that Common Ownership sweeps away three of the most powerful arguments against doing our best. A man cannot say, "The harder I work the more the boss gets out of me." He cannot say, "If I finish this job too soon I'll be back on the dole." He cannot say, "What are you hurrying for? Do you want to do someone else out of a job?"

It is quite impossible to predict in advance just how great will be the effect of the removal of these three objections. In war we can carry on propaganda for more work based on the fear of defeat. But it is quite certain that these three arguments alone have prevented us from attempting any effective communal appeal to increased effort as such in times of peace. Once these three arguments have been answered by the very shape of our society, then, and only then, can we successfully appeal to men to do their best. Under scores of texts—"Do unto others as ye would have them do unto you," "He that would be the chief amongst you let him be the servant of all"—the Christian churches will be foremost in creating an atmosphere in which failure to play one's part

<sup>1</sup> I would point out, however, that in our present society nothing is done about the slacker. It is not in the interest of any particular employer to find out what has gone wrong in his make-up, or to try to build him up again into a normal citizen. It will be very definitely in the interest of the community to undertake this task, and the real reason why it is impossible to forecast the future developments precisely is that one does not know, for example, what part a revitalised religion can take in this work, or what discoveries may be made in the realm of psychology. One can, however, envisage the possibility that at some stage some authority—a judicial tribunal, or perhaps a council elected in each factory to deal with such cases—will have to decide that in a particular case the ordinary methods of persuasion have failed. One can foresee the possibility of camps or settlements of some kind where the particular reasons for each man's failure would be examined and in which efforts would be made to bring men back into a sound relation with a good day's work. But beyond suggestions of this kind it is not possible to be more precise.

will mean an attempt to live outside the community. Men are, I believe, so made that few can succeed in this attempt. This is a small part of what I mean when I say that our new society will be based upon a revolution which will be in its essence religious.

CHAPTER THIRTEEN  
EDUCATION, TRAINING AND  
PROMOTION

WE have considered how men will find the jobs they want to do, but we have not considered how we shall choose those who will be promoted to positions of greater responsibility and presumably of greater reward.

This subject is so closely tied up with the whole question of education that it will be best to begin at the beginning.

We cannot possibly exaggerate the importance of education. We are not here concerned merely with the mastering of a few simple mental tricks called "reading", "writing" and "arithmetic". We are dealing with the introduction of a human being to the thrilling adventure of life. The subtlest impressions made upon the mind of a child in its earliest years may later emerge with vast potentialities for good or evil. It is only in comparatively recent years that we have begun to feel confident of some parts of our knowledge on this subject. There is yet much more to be found out, and the task requires the service of our very best brains.

For this reason it is essential to raise the status of the teaching profession. At present it is the Cinderella of all the professions, with nothing like the social standing of, for example, the law, medicine or architecture. This may be partly due to the fact that by far the greater part of the teachers work in the State schools, about which there still lingers an atmosphere of rather grudging charity. "Why should I pay for the education of someone else's children?" may not be heard now so often as of old. But "Vote for So-and-So and save the rates," is still a very popular cry. I do

not say that we are down to the "reading, writing and arithmetic" level in our schools, because we are not. Most of the county authorities which really got a move on with the senior schools before the rearmament programme began are providing an education better in all respects than that offered by nine-tenths of the expensive prep. schools. But at all times "the burden on the rates" sets a ceiling to their endeavours. While this remains so the lawyer will always seem "smarter" than the teacher.

Under Common Ownership we ought to be able to put an end to all this. I have shown on page 87 that there will be no insoluble financial problems. No one will say to Parliament, "If *you* make *me* pay so much to educate *them* I won't be able to employ their parents." We shall face the essentially simple question, "What proportion of our resources shall we give to the science and art of preparing ourselves for life?"

I believe that in the coming years the teaching profession will spill itself over its present boundaries and will intermingle with callings from which it is now largely separated. There will be a gathering up of the medical care of children, the nutritional care of children, the study of child psychology, education, training, industrial psychology, sociology, and religion. And out of this a new profession will arise vastly different from the teaching profession as we know it today.

Teaching cannot be a great profession and a cloistered profession. Men or women should not begin to teach children about the world without having spent two or three years in the world themselves; and even headmasters could well afford to take a six months' course of lorry-driving as a refresher. It is essential that teachers go to foreign countries. Every year I would hope to see literally thousands of our teachers going off to teach in schools overseas and thousands from other countries coming to teach over here. It is essential that the teaching profession be opened to married women and that most of the teachers be married.

It will be a branch of this great vocation which will conduct not merely our crèches and nursery schools, but the whole of our motherhood service. This service will include voluntary facilities for mothers to learn the things that are now being discovered about the working of a child's mind.

I will not try to deal in detail with the subject of school syllabus, because I am not an expert. I am only a layman trying to think what education will be like and what part it will play in a community really run for the equal benefit of all its members.

But even without expert knowledge we can say that our education will be a training for world citizenship. We shall teach the history of the development of humanity, and not the history of the battles of that small part of it that has lived in these islands.

Our present society is very reluctant to teach its children anything about itself. Any discussion in schools about the present order and the reforms that would be desirable is distinctly frowned upon. We can well understand why. Our new society will deliberately teach the child to know and understand and to challenge the society in which he lives. He will have a deliberate education in politics, and will be taught the structure of democracy, his duty to take a part in it, the meaning of freedom and how it has been lost and gained in times gone by, some understanding of economics, trade unionism, geography and current affairs. We shall teach children to be ready to undertake their duties to others rather than to seize their opportunities for themselves.

This will not mean that we shall forget to educate our citizens to take responsibility and initiative. It is sometimes assumed that men only take responsibility and initiative when acting for their own interests. But it is also possible to train citizens to take responsibility and initiative when acting for the community.

I can hardly deal with education without some reference to the public schools. The present "two-stream" system of



education segregating the rich from the poor is inexcusable. Under Common Ownership scarcely anyone will be able to afford the present fees of Public Schools, but it is a complete mistake to think that we could solve the "Public School" problem by setting up a Government fund to pay the fees of, say, 50% of the pupils to be drawn from the working classes and converted into imitation gentlemen. The real solution is to abolish the prep. schools; to base entrance into what are now Public Schools upon the curriculum of the ordinary State schools and to pay the fees of successful candidates either in full or in inverse proportion to the means of the parents. If this were done, all inequality would be ended, and yet the many valuable traditions of the Public Schools would be preserved. On the other hand, it is conceivable that it would be better for us to make quite a fresh start and use the buildings of the Public Schools for a different part of our educational service. They might perhaps be used to give general or special courses of education to adults.

I shall make no detailed observations upon the ages at which children will probably pass from one school to another; nor upon the ways in which our educational service will branch out so as to cover specialised needs. It is quite certain that all children will receive whole-time education up to sixteen. After that age their paths may differ according to their inclination and abilities. Some will go on either to a higher general education or to specialised education, which will in part amount to a technical training for particular employment. Others I believe will go out into the work of the world at about the age of sixteen. I do not think it will matter that they go into jobs which we now call blind-alley jobs, so long as we take very definite steps to provide adequately for their leisure and take them out of such jobs at seventeen or eighteen.

Indeed, the one detailed suggestion that I make in the realm of education is that either from seventeen to eighteen or from eighteen to nineteen all the youth of the country

should give one year of service to the community. I envisage camps at which in this year men and women will give perhaps half their time to one or other of the innumerable occupations which go with the work of the land, a quarter of their time in recreation, and a quarter of their time to what will amount to liberal education. This subject will be considered more fully in connection with agriculture. There should be no exemptions except on health grounds. Those who are proceeding to more advanced studies will gain by a year's contact with real work and those who have already spent a year or two in the world will gain by a renewed contact with education.

As soon as we talk of higher or more specialised education we are talking about something which can hardly be given to everybody. There is bound to be competition among students for the higher places. One of the most crucial problems confronting us is how to find a fair means of judging the competition. Everyone is agreed, so far as I can make out, that the examination-plus-marks system produces bad results and turns education into cramming. But, being a layman, I have not heard the rival merits of suggested alternatives discussed in detail. We must find an alternative, and I believe we should face the important fact that our real problem is to train the teachers to apply an alternative method. For certain purposes—but only for certain purposes—we should, make much further use of I.Q. tests. The relevance of these has been too long established now for their usefulness to be doubted, though they have probably suffered from the attempts of enthusiasts to use them as substitutes for all other methods of judging between pupils.

Whatever test we adopt for deciding on the advance to higher or more technical education, those who pass the test will clearly be directing themselves towards the more responsible jobs. For the processes described in the preceding chapter, though probably sufficient or nearly sufficient to

provide us with a sound distribution of our unskilled and semi-skilled man-power, will not be sufficient to provide us with, for example, our architects and pilots.

Though every child is thrilled by the contemplation of one or more of these responsible and exciting occupations, fortunately providence arranges matters so that when it actually comes to the point the overwhelming majority of us prefer a less exacting life. The same providence has also supplied an ambitious minority so large as to provide us with more than enough applicants for all jobs requiring special skill. It would clearly be absurd to reduce the number of the applicants to the number of opportunities by attaching the lowest reward of all to these specialised employments. We are bound to attach to them slightly higher rewards than attach to the more humdrum ways of life. And this, of course, makes them still more attractive.

We shall therefore be obliged to apply tests to decide who shall fill these interesting positions. These tests will in many cases begin, though they will not end, during the years of education.

The man who is going to be for example a pilot, a doctor, a teacher or an architect, will almost certainly receive specialised training of some kind from about the age of sixteen, seventeen or eighteen. In order to qualify for this training he will, just before he reaches these ages, have to show some aptitude for the profession he desires. We may expect the science of industrial psychology to make great strides in its ability to spot and register early talent.

It goes without saying that we shall pay what are now called Maintenance Allowances to all those qualifying for higher education. But though these should be sufficient to obviate all possibility of privation, they ought to be somewhat lower than the wages which would be paid to the same person going direct into productive employment. This may seem brutal. But the individual who has set himself or herself upon a course which, if successfully followed, will lead to

advantage, should sacrifice something for the chance that is offered. Those who are successful in their higher education and attain the positions which they desire (and of course not all of those who enjoy the education will in fact attain such positions) will have authority over others in one way or another in later life. It will be important for them that it should be known that at one stage they had to struggle for what will be theirs. It is even worth considering whether parents should not make some contribution to the cost of higher education. On this point there are substantial arguments both ways, and I do not want to offer a personal judgment now.

But we must not regard the road to a responsible position as being closed if a boy has not taken it by the age of eighteen. We shall probably never be sure that we have detected every source of potential talent by this age. We certainly cannot be sure today. Men and women who have responded not at all to education may develop enormously when they get down to work. We must consider, therefore, how a man will advance in his normal employment.

The problem of promotion is of immense importance. If the self-regardant side of human nature cannot strive for financial gains, it can still strive for promotion; and the struggle for promotion might well wreck our whole enterprise. If people allow their active minds to be exclusively concentrated upon the problem of promotion—if promotion, however obtained, is the most important objective on their horizon—then our system will fail. Whatever happens, some men are bound to scrounge and wangle for the better-paid jobs. But success or failure depends on what happens to the majority. Without, of course, becoming indifferent to our position in the economic life of the community, can we translate our real interest from the struggle for self-promotion and find it in the really exciting business of a full everyday life? If we can, then we shall have succeeded.

No machinery which we adopt for the solution of the problem of promotion can guarantee success. But unless we choose our machinery wisely, it may well promote failure.

We must realise that in order to succeed it is not enough that an appropriately skilful man be chosen for each job requiring skill. We have to achieve a situation in which most men will feel that without their having to push and scramble, their own abilities will bring them a fair reward. How can this be done?

I do not want to set myself up as a expert on the strength of a very short experience. But after nearly twelve months of cleaning up barrack-rooms, shovelling coals, loading lorries, filling sandbags, laying drains, building dug-outs, filling up forms, and passing telephone and wireless signal messages on even terms with a typical cross-section of "London", I do know rather more about it than I did when I was merely a gentleman who had got into the House of Commons.

It is my firm belief that in the simpler jobs leadership will emerge. Let the job be as simple as filling and wheeling sandbags. Two men out of three will dig more or less blindly. The third, almost unnoticed, will point out how the three should dispose themselves on the digging-face so as to make the job easiest. Two will drive their wheelbarrows with great force against an obstacle, such as a curb, which lies in their path. The third will fetch a little piece of timber and bed it in to make a ramp. Or take something a little more complicated, and suppose ten men are to roof a dugout. The available material and tools are spread around the site. There will be rails, old railway sleepers, odd lengths of timber gathered or scrounged, nails, screws, and perhaps some sheets of corrugated iron. Two of the ten will hold a discussion on ways and means. Three others may make an occasional observation. The remainder will wait to be told what to do. In the end it may be difficult to decide which of the leading two was more nearly right. But this is the way in which leadership emerges.

As far as the first steps towards positions of responsibility are concerned, the one safe rule is to let the men choose. You can fool the officer by digging when he comes round. In a few cases you can suck up to the sergeant or corporal. But you cannot fool the men you work with, and you cannot suck up to them. It is completely untrue to suppose that men will choose as their leaders those who will be slack and allow them to get away with an indifferent output of work.

I am speaking here, of course, only of the very first step in promotion. And I speak with confidence only of the step from gunner to lance-bombardier, private to lance-corporal, in the army. I can see at once that different considerations may arise in industry, but I think these considerations can be met by very modest adjustments. The lance-corporal really requires no more special skill in any department of soldiery than the private. All he needs is the necessary character, and it is precisely this which the men he works with are more qualified to judge than anyone else. The man who is promoted even so little as one stage in industry may require some additional technical skill. But this skill will almost always be measurable by some fairly simple and fairly certain objective test.

I would therefore propose that any man at any time may ask to be tested for skill. If he passes the test this will give him no right whatever to promotion: it will simply be noted that he has acquired the necessary skill. From time to time then, as vacancies occur, any team of men working together may be asked, "One of you ten has to be promoted. These seven have shown that they have the skill. Which is it to be?"<sup>1</sup>

As I say, men are already qualified to make, on balance, a better decision than would be made by anyone else. Through

<sup>1</sup> On the whole it will be advisable in general not to promote a man to a position of responsibility over the team in which he has worked. It goes without saying that in an establishment where several teams work together, some fair system of rotation will have to be worked out so as to take the promotions in proper turn from the different teams.

education designed to stress the importance, for their comrades and themselves, of a right choice being made, I believe the number of real mistakes would be so few as to be negligible.

I am not absolutely sure that this suggestion is better than any other suggestion which someone else might make. But I would argue for it very strongly, for one main reason. It goes a long way to save society from the bitterness of the man who would say, "You never gave me a chance."

Private ownership is an extremely clever system in this respect. Whereas in the mass it condemns millions of men to a life of frustration, it can none the less say to any particular man, "It was your job to make your own way in the world, and if you have failed it is your fault, and not the responsibility of the system." Common Ownership cannot use the same device; and if in the earliest stages Common Ownership adopted a promotion system which depended wholly or mainly on selection from above, then there would be thousands of men who would feel and say, "The system never gave me a chance." Their bitterness would seriously militate against the success of our new society.

Under the system which I propose no one will be able to say very convincingly that the system never gave him a chance. The replies will be too obvious. "You didn't pass the tests, then? Your mates didn't choose you?"

If this be the foundation of our promotion system, the superstructure can vary to suit the varying conditions of different occupations.

In some factories the same methods might be found to be most useful through all, or through many, of the remaining stages. One can imagine that after the workers had chosen their charge-hands in the manner described, these might again pass any objective tests to show that they possessed the technical skill required by the foremen. Thereafter they might be appointed to these positions either by the charge-hands, or by the charge-hands and the less-skilled workers.

In all probability the system best fitted to each particular

factory will be worked out through a process of trial and error and success. If, then, I express my own view as to the probabilities, these views are held with much less assurance than those I have expressed about the initial stages of promotion.

It seems to me likely that promotion, in any factory, will be managed by a committee, probably acting through several sub-committees. This committee will be chosen, in various proportions, from among the management, the technicians and the workers of various grades. They will take particular individuals into consultation whenever they think their advice will be useful on any particular problem.

It would be a mistake, however, to think of the functions of this committee as being merely to promote the men who have the skill and character to deserve promotion. Their duties will be very much wider. They will have to see to it that their particular factory is in fact producing, all the time, the men who will be required for filling the responsible positions.

For this purpose all promotion committees will work in the very closest touch with Adult Education and Technical Training. It is neither possible nor necessary to forecast the precise details of this co-operation. But if I am right in thinking that it will actually pay to have anything up to 10% of our population always receiving further training, it will be the duty of the Promotions Committees, as well as the branches of the Ministry of Man-Power, to discover suitable candidates for this purpose.

Nor must we think only in terms of technical training. Men and women showing special ability will also receive a general education leading them to the ability to take responsibilities. In the past the Public Schools have specialised in producing this ability. They have, unfortunately, tied it up with the teaching of a "superior-class" outlook on life as a whole. If it were possible to untie the Public School traditions from this superiority outlook they might render great



services; and I can foresee great possibilities for them if they give up the idea of providing a special education for any section of the young, and become the centres of the very widest Adult Education System.

Their activities would not be limited to the instruction of classes in classrooms. Just as today the sons of important directors move round from one department to another for the sake of experience, so also these education centres will control the whole process by which the rising directors of our industrial enterprise will gain the experience which they will need.

The courses must, I think, be severe. Or at least they must be preceded by very strict tests of ability and aptitude. If they are preceded by such tests, then Promotion Committees, while naturally looking out for men who should be advised to enter for such courses, need not refuse the application of any man who desires to enter. For the unfit will be fairly quickly weeded out, and once again we shall be tending to avoid the situation in which any man can say, "I never had a chance."

The Educational and Training Authorities will naturally make reports which will be available to Promotion Committees when considering all questions of further promotion.

Once again we may legitimately suppose that the science of Industrial Psychology will make great strides, and will be able to advise as to the kind of activity in which each man is most likely to prove successful.

It seems probable that the Promotions Committees in each factory will work under the general supervision of the Promotions Committee of the Council of the industry concerned. This higher Committee will have no say on questions of promotion to the lower and middle ranks of industry. But it may have an increasing influence on the choices made to fill the higher positions; and it is quite possible that promotion to the highest positions of all will be in the hands of this Committee alone.

We may thus trace out the possible progress of a particularly

gifted citizen of the new society. His advancement may begin during the years of adolescent education. By his abilities he may qualify for a place in a special course for engineering draughtsmen. He will then begin his working life in an engineer's draughting office—probably in the lowest rank, though in some cases exceptional ability shown during the years of education may qualify for direct entry into some higher rank. Thereafter his progress will depend on his ability. It will rest in the hands of the Promotions Committee of his factory. If the head of his department (or other technician of higher rank who knows his work) is not a member of this Committee, he will be taken into consultation when his promotion is considered. From time to time it may be decided, or he may feel, that a further course of instruction and education would be useful to him. If so, he will be given the necessary opportunity. Beyond a doubt such bodies as the Commission for Major Developments, the Economic General Staff, the National Research Council, will often be making demands for men of his skill, and it may be he will be claimed by one of these organisations, probably through the Promotions Committee of the Council of his industry. But if he remains in his industry there will be no obstacle to prevent his own merits from taking him to the top.

On the other hand, there will be men and women who have shown no special ability during the years of education. Any one of these will start work in the least skilled grades. If he has real ability he will very soon pass the necessary test to qualify for the first step in promotion. If he has the necessary character he will be selected for promotion by his fellows. Thereafter he may ask to be sent on a course of technical training or general education, or the Promotion Committee may advise him to go. He will return with a report on his abilities. If this is favourable he may expect further promotion. It may happen that in the course of his life he will several times go from his industry to courses in special training, or steps may be taken to give him experience

in particular branches of his industry which he will need for higher promotion. Once again, if he has the ability, no obstacle will stand in the way of his promotion to the highest places.

It is not claimed that by these or by any other means we can ensure that every man and woman of ability will reach an appropriate position. Nor can it be guaranteed that no incompetent pusher will ever be promoted. But it is claimed that along these lines we ought to be able to find the leaders we need, we ought not to leave too many disgruntled men and women without promotion, and we ought to be able to create an atmosphere in which the great majority will feel that they will get the promotion they deserve without their having to indulge in all kinds of wangling and log-rolling.

Under our present system, on the other hand, not only are many unworthy men wafted through influence into important positions, not only is genius often stifled, but, far more important, thousands and thousands of men and women who could have rendered solid service to the community in positions of responsibility are never given a chance at all.

## CHAPTER FOURTEEN

### DISCOVERIES, INVENTIONS AND IDEAS

**M**ANY people suppose that Common Ownership will kill discoveries, inventions and ideas. It will do nothing of the kind.

On the contrary, great discoveries will be much more readily forthcoming.

Already most of the really important 'ideas are not the product of individual genius working in a garret or a back garden. The most important advances are achieved by the team work of a number of investigators deliberately setting themselves the task of solving a special problem. But today far too little is spent on deliberately organised research. Research, unless it is directly relevant to the problems of some one particular industry, has to be financed out of taxation—out of taxation raised from the profits of industry in general. Industry is not particularly enthusiastic about promoting research along lines which do not "pay", and the influence of those who want taxation lowered has successfully starved organised research of the funds it really needs. Thus, because "they" will not provide tens or hundreds of thousands of pounds, "we" have been deprived of inventions and discoveries which might have been worth millions.

Under Common Ownership research does not have to be financed out of taxation. We decide what part of our total resources it is worth while to set aside in order to maintain our research workers and provide them with the necessary equipment. We may reasonably hope that the activities of deliberately organised research may increase by anything

between 1,000% and 10,000% within the first few years of Common Ownership. We ought to have enough faith in science and in our own scientific workers to know that we have here the answer to the fears of those who ask, "How shall we live when Common Ownership has deprived us of the advantages of being the 'owners' of a Colonial Empire?" Not only shall we increase the numbers of our research workers, but we shall also enormously increase the enthusiasm of each one of them. Any acquaintance—even quite superficial—with any of the rising men and women in any branch of research work today will show that they are stifled by the very atmosphere of private ownership. They are not encouraged when they know that their work must not only stand the objective tests of their fellow-scientists, but must also pass the financial tests of the big owners, before it can be of any service to humanity. Under Common Ownership new discoveries which will benefit humanity can be adopted direct without our having to find out whether they can be "marketed" in such a way as to yield a profit to some particular manufacturer.

We must, however, admit one thing about private ownership. Under private ownership a man who has £1,000 and a small idea, and the man who has £10,000 and a big idea, can go right ahead with their ideas, and no one stands in their way. If their ideas are really good, and if they are efficient managers, they succeed. They earn a great deal of money, and they do a great deal of good. Almost the same thing happens when a penniless man with an idea persuades a man with £10,000 that the idea is good—except that in this case it is very often the man who has the £10,000 who makes the money.

Now, under Common Ownership it will not work out in that way. But this does not mean that new ideas and inventions will be killed.

After all, not all the men with good ideas have £1,000 or meet men who have £1,000. And very often the men who

have £1,000,000 spend a good deal of money in buying up and stifling the good ideas.

Common Ownership must, however, provide the means by which the ideas of individuals can be taken up and developed. Many of these will be the ideas of individual men relating to the work that they are doing. It must often happen that these have very definite views about the way in which their work could be done more expeditiously, or about the gadgets or devices which would help them to solve their detailed problems. While the advocates of private ownership tell us, quite accurately, that Common Ownership will prevent the man with money from developing his ideas on his own account, they forget that private ownership directly stifles the ideas of the worker without money. Under private ownership it is an extremely ambiguous process for a workman to suggest ways in which labour could be saved. If he is not dismissed himself, it is at least probable that he will make himself responsible for the dismissal of some of his colleagues. If workmen can see clearly that they are engaged upon a labour-wasting process, what is that to them under the present system? Why should they face dismissal simply to make their employers richer?

Under war conditions, which guarantee all skilled and sincere workers against dismissal, the only engineering firm of which I have any knowledge made a careful appeal to workers for ideas likely to be helpful to production. This appeal was backed by an offer of quite modest rewards to those whose ideas were adopted. The response was quite surprisingly large, and output has been considerably increased in very many ways. •

We have never been able to try the experiment of making a communal appeal to all workers for their ideas in conditions which guarantee that those ideas will not lead to unemployment for anyone, and that the advantage of the ideas will go to the community as a whole and not to particular individuals. There can be no doubt that this appeal alone will result in a

torrent of new ideas which will wipe out all the loss we may suffer by having no rich men to take up their own ideas directly.

This, however, cannot end the matter. For it is certain that many individuals will have ideas which cannot be taken up by the particular industry within which they work. If, for example, a bricklayer thinks of a new idea for selling ice-cream, it is not very obvious what he should do about it.

Are we saying anything so very frightening if we suggest that before any ideas of this sort are taken up they must first be approved by someone else?

After all, except in the case of the man who has £1,000, the same thing has to happen today. The inventor has to find the man with capital who will back his idea or invention.

As we are not going to have men with capital of their own to finance inventions, we must find men to take their place. I will therefore suggest that alongside the Commission for Major Development and the National Research Council we should have the Innovations Board.

This Board will have a main headquarters and branches throughout the country. It will have large funds at its disposal, and it will be obliged to spend its funds on taking up and trying out new ideas.

Moreover, it is most important that the "five in twenty-five" rule, described in relation to the Press,<sup>1</sup> should apply to this Board and its branches. It would be absurd to have no ideas taken up except those which could win a majority vote of the Board. This would mean that the really revolutionary ideas would always be killed. The rule must be that if a local branch has twenty-five members, any idea which has the support of five of them must be tried out.

Whether a man will submit his idea to a local branch or to the national headquarters will depend on his own estimate of its importance; and whether he will himself be made a manager of some publicly owned enterprise to develop it, or

<sup>1</sup> See Appendix One.

will be given the services of a qualified manager and staff, or will be given facilities to try out his idea as a private enterprise of his own will depend on circumstances.

In its essence, therefore, the process will be exactly the same as it is today. The man with an idea will have to persuade someone else that it is worth backing. But instead of having to persuade someone who has money (which generally means that the men who have friends with money have a chance of getting their ideas adopted, whereas those who have not have none), the inventor will have to persuade five members of the local branch or national headquarters of the Innovations Board.

These will be well-qualified men. Records will be kept of the ideas which they sponsor or turn down, and those who are constantly backing losers or blackballing ideas which subsequently secure the support of five others and succeed, will soon cease to be members of the Board.

Working along these lines, I do not think we need fear that the stream of ideas and inventions, small, large or middle-sized, will dry up. Indeed, we may confidently hope that it will flow more freely.



## AGRICULTURE

I HAVE no doubt whatever that each industry contains special problems of its own which will need special solutions within the framework of Common Ownership. In general I do not wish to make any suggestions about these special problems. But I do want to make some detailed suggestions with regard to agriculture.

We are all agreed in these days that we want to produce more food from our land and employ more people upon it. More food than what? More people than what? More people, surely, than would be employed and more food than would be produced if we simply did nothing about it and let agriculture find its place in competition with the whole of world economic forces.

The position is that other countries, either owing to low labour costs, or to virgin soils, or to the scale of their operations, or the suitability of their climate for certain products, or to the excellence of their production or marketing technique, produce food and sell it to us at prices with which it does not "pay" to compete.

But the cost of producing food from any particular acre of land depends on the condition of that land and of the farm buildings which go with it. If the land and buildings are kept in first-class condition, then the cost of producing so much food is lower than if both have fallen into neglect.

The problem of keeping land in good condition is very largely a question of putting in work—of putting in man-hours. (To a lesser extent it is, of course, a question of putting

in manures and using machinery, but it remains very largely a question of putting in man-hours.)

If, then, we can discover some means of putting in man-hours without having to see from them a strict return in the economic sense of that word, we may be able to keep our land in such good condition that we can produce from it the amount of food we think right and employ on it the number of men we desire.

I believe that this can be accomplished under Common Ownership, and only under Common Ownership.

Under Common Ownership the community will become the landlord. Those who now own their farms will become tenants at a peppercorn rent. Those who are now tenants to individuals will become tenants of the community, subject, at first, to the conditions of their present leases.

The actual functions of land management will be discharged by bodies not very different from our present War Agricultural Executive Committees. They will find it useful to employ, as their servants, those who have gained experience as the agents of private landlords; and in many cases they will be able to take over and employ the existing estate workshops and staffs. In other cases these will have to be specially established and recruited.

So long as a man keeps his land in good condition he will remain the tenant. But the County Agricultural Executive will certainly be responsible, as it is in war-time, for removing the man who lets his land down.

The County Executive will also be responsible for repairing, maintaining and improving all farm buildings, gates, etc., and will share with the tenant the responsibility for *improving* the land. There is not, of course, any sharp distinction between repairing and maintaining on the one hand, and improving on the other. But, in general, repairing and maintaining are detailed jobs requiring rather particular skill which is not quickly acquired; while improving can be a large-scale job capable of being performed by freshly recruited workers pro-

vided they have a stiffening of skilled men. In order that this may be true of the business of putting up few farm buildings, we shall have to develop pre-fabricated buildings such as are erected in Sweden with mainly unskilled labour.

I shall therefore suggest that repairing and maintaining should mainly be done by the permanent staff employed by the County Executives, while the task of improving the land and buildings should be undertaken by very differently organised man-power.

I revert now to the suggestion I made briefly in the chapter on education, that every one should contribute one year's Communal Service on the land, either between the ages of seventeen and eighteen, or between eighteen and nineteen.

During the year of Communal Service men and women will live in communities all over the country. It is a happy thought that the War Office is building structures which with a not impossible amount of very necessary improvement will often serve our purpose fairly well.

Their time will be spent as to one quarter in recreation, as to one quarter in a very liberal general education—reaching right up to university standard—and as to one half in work of every kind on the land.

There will be in the camps men and women who will act in part as key skilled workers, and in part as instructors. But the men and women in their eighteenth or nineteenth year will do the work of improving the land and farm buildings. They will work for their food, clothes, shelter and pocket-money.

Thus, when we either want a field or a whole catchment area adequately drained, we shall have the work done at very small cost. When we want new barns, silos, grass-drying plant, slaughter-houses, or any other items of permanent agricultural equipment, these men and women will build them.

When mountain pasture or the thousands of acres of in-

different grass or scrub which can still be found in our country require to be broken in, the work will be undertaken by those giving their year of Communal Service.

Thus on a purely cash basis the work will be done very cheaply. Whenever we positively improve the land of any particular farm we shall expect a modest increase in the rent. In addition, we shall be converting into valuable farming land large tracts which are now yielding no return at all. Thus there will be some financial return for our outlay.

It is most unlikely, however, that this return will cover even the modest costs of the service. In fact, there will be a financial loss.

But what of it? Will it not be worth while? Shall we not be getting immense value for any mere money we may lose?

We shall be giving our people a direct liberal education which we could give them in no other way. We shall be giving them a technical training in such diverse subjects as all the arts and crafts of building, surveying, field engineering, and the care and maintenance of machinery of all kinds, as well as in the occupations which more obviously attach to working on the land. We shall be giving them the ability to turn to good account—either for food or beauty—the plots of land which will be much more available to all our people when urban land is owned by the community. We shall be giving them the whole of that subtle education which comes only from contact with the countryside. And we shall be building up their physical health and strength just as they are entering upon the real business of life.

These advantages are out of all proportion to the small cost that may be involved. And even yet we have not put on the credit side the fact that our land will be kept in such first-class condition that those whose business it will be to grow food out of it will be able to do so without our having either to pay them subsidies or to make imported food artificially dearer to the urban community.

But the whole success of this scheme entirely depends on

the land being owned in common. Some people, of course, do not like "camp" life—or, for that matter, any form of communal life—and we may have to allow for conscientious objection. But the overwhelming majority will be enthusiastic for this work—provided we can say that the land which they are called upon to develop is "Our Land".

When we can say to these people that they are called to work on their own land, that this is our national heritage in a deeper sense than of the factories or warehouses created by our own hands, that the food which we shall be enabled to produce through their labour will be a greater source of health to themselves and their children than the food we could import from any other part of the world, then we can win their enthusiasm, then we can show them at an early age, and in a peculiarly striking form, the spirit of common enterprise which will animate our society as a whole.

Even though we might tell them of every advantage which a year's Communal Service on the land would give them as individuals, there could be no possible enthusiasm for this work if it were work on land which remained all the time the property of somebody else.

I am not qualified to say what agricultural technique will be found best for growing food upon the land when it has been put into the best condition. Agriculture is unlike every other industry, in that its raw material—the soil—varies from yard to yard. We shall never reduce agriculture to a set of rules. There is a regrettable tendency in the manures department of I.C.I., and in some scientific circles as well, to suggest that a chemist can analyse a spadeful of soil and tell you what to do. On the other side of the picture we have the farmer who neglects the opportunities which science puts at his disposal. The true solution must lie in a marriage between scientific research and practical experience. But the details of the solution I am unable to forecast. I can only express my conviction that once we can, in this way, do the work of keeping our land and buildings not merely in good condition but in first-

class condition, then we can grow upon it all the food we want to grow, and employ upon it all the men we want to employ.

I would emphasise that the picture I have here presented is to a certain extent an interim picture. It is a very rough outline of our countryside as it might be, say, five or ten years after the establishment of Common Ownership. As the years go by I expect the picture to change. I do not envisage the development of what would now be called large-scale factory farms, and I am convinced that more than a century from now we shall find individual farmers running their own farms independently. But I do believe that the ultimate development must be to the communal farm, with all the inhabitants of a village working co-operatively upon what they will regard as their common heritage.<sup>1</sup> It is true that this sounds rather "Russian". But we are less afraid of Russians than we used to be, and whereas the Russians got their communal farms by a forcible dispossession of kulaks, we shall get ours by allowing things to develop in the direction which is inevitable. This process may be irksome to the people who are in a hurry. But it is our way of doing things.

<sup>1</sup> Whether in such conditions the year of Communal Service will continue more or less as I have outlined it here, I cannot forecast.

## CHAPTER SIXTEEN

### THE SMALL MAN

WE have seen in the first chapter that we have moved a long way from the old days, when industry was in the hands of thousands of small men each owning his own factory and administering the factory he owned. Today the ultimate control over the whole system is in the hands of the self-selected nominees of the owners of the biggest blocks of shares. They represent not more than one fifty thousandth part of the population.

These giants of industry have been able to maintain their positions of power by asking us to consider what Common Ownership would mean to "the small men" whom they are rapidly gobbling up and driving out of business. It is a Gilbertian tragedy.

The small man is certain that the institution of private property is the solid foundation, and the pursuit of private profit the proper motive, of a well-ordered society. If this is so, then it is right that the owners of giant properties should pursue their private profit; and if they can enlarge that profit by driving small men out of business, then it is right that they should do so. On the premises stated, this conclusion is inescapable. But when the small man meets this conclusion, not as an academic theory, but as an act of bankruptcy, he appeals to the community to save him from his desperate position.

On the premises stated there is no way of saving him.

The classical economists, in their advocacy of unlimited competition, forgot the one rule of all unlimited competi-

tions, which is that somebody wins. And when he has won, the competition is over. Woolworths is just a small trader who has won.

The little men really ought to take stock of their true position, and abandon the policy of "feeding the hand that bites them". If the rule is "catch as catch can", then they will be caught one after another until none is left at all. If they remain the staunch supporters of the economic system which is driving them out of business they cannot expect their claims to be very seriously considered when, in spite of their support, this system is brought to an end. Their one and only chance of survival lies in their throwing in their lot with those of us who now say that we cannot run our society merely by asking the question, "Does it show a profit?" If we can establish a new society which takes account of other values, it can be certain that small men running their own little enterprises will remain a permanent feature of our national life.

If I now give reasons for believing that it is not only inevitable, but also desirable, that small men shall continue to run their own affairs independently under Common Ownership, I shall, of course, be accused of inconsistency. It is important to meet this charge, and I make two separate answers.

The first is that if the reader will look back to the introduction, he will find that the fundamental argument which compels us to end the private ownership of the great resources does not apply to the small. The owners of the largest shares in the great resources will be regarded as being at the top of our economic society. They will set the tone to the society under them. But within the general structure of Common Ownership, the owner of one of the small resources will not be regarded as being at the top, and it is much more likely that we will set our service tone to him.

But my second answer is that in life as it is lived there are no absolute rules which can or must be pressed "consistently" to every one of their logical conclusions.



Far too many "isms" have failed to take account of this fact. Too often a leader discovers a truth; the truth is then reduced to the form of a rule; thereafter his followers are freed from the burdensome necessity of discovering what Lord Baldwin rightly described as "the many-sidedness of truth" in each new situation as it confronts them. They have found truth once and for all. They know their rule by heart. And whatever situation arises, they apply that rule.

But life does not consist of one truth, one rule. The forces at work in the world cannot be reduced to one force (or at most to two diametrically opposing forces). On the contrary, life is made up of the interweaving of many conflicting truths, many conflicting rules, many conflicting forces. The mentally restful task of invariably and enthusiastically following the rule which someone else has found is sure to lead to disaster when one of the forces which he has neglected happens to turn uppermost.

Thus Communists were obliged to turn another somersault when Winston Churchill made an alliance with the Soviet Union.

Ours is the more exciting task of trying to comprehend every aspect of truth, master all the many rules, and balance the conflicting forces against each other.

There is therefore nothing inconsistent in saying that private enterprise in small productive units will, and should, continue under the Common Ownership of the great resources. But by this I do not mean that everyone who is now running a little business will continue to do so. There are two particular enterprises which I believe must be taken out of the realm of profit and loss, even though they are today largely (but by no means solely) in the hands of small men. These are the wholesale distribution of the basic necessities of life, and the wholesale and retail distribution of milk.

Even in considering these cases we must encounter and try to balance conflicting forces. But on balance it seems to me that our war-time experience has taught us that it is improper

to allow any individual to find himself in a position in which his income depends on the margin between the producer's and the retailer's price of an article which remains unchanged in his hands. I am aware that thousands of men are engaged in the wholesale trade on an absolutely bona-fide basis, and that they solve many complex problems for us in the course of their activities. But we cannot neglect the reports of price increases ranging up to 50%, and even 100%, imposed on goods which pass from one ownership to another without ever in fact leaving the one warehouse. This is a shameful situation, and it should be brought to an end. The distribution of fundamental necessities should be a communal service; and there is a great deal to be said for adopting the rule of passing goods to the ultimate retailer at the same price as was paid to the producer. This will mean, of course, that everyone will receive a rather smaller money wage, in order that we may pay their wages and salaries to those engaged in the distributive service; as against this, all prices will be reduced. And we shall see in the costs of the different branches of the distributive service where the inefficiencies lie, without being tempted to believe that one particular part of the distributive service is efficient because it finds that the commodity it is handling will "carry" an excessively high distributive margin.

Those who are now engaged in the wholesale trade and know its many problems can find employment in the communal wholesale service if they are prepared to give their services loyally. No doubt, even with their advice, we shall make many mistakes in the early years. Some parts of the country will be over-supplied while others are short; in our ignorance we shall send to the north the kind of bacon which is popular in the south, and vice versa. But we shall learn from these mistakes, and no one will say that individuals, even on a small scale, are earning an income by increasing the price of necessities.

What I have said above implies that many private indi-

viduals will conduct retail shops on their own account. This I believe to be on balance generally desirable. It is at any rate important to remember that it is impossible for a society governed by the pursuit of profit to save the small shop from the combine and the co-op.; but a society in which service to the community is the dominant motive can make rules under which the co-op., the communally owned multiple store and the small individual shop can make room for each other.

But—once again striking a balance of forces—it seems to me advisable that the distribution of milk right down to the ultimate consumer should be a communal service. Milk is almost certainly the most essential food, and it is probably (in most areas) the pivotal product of agriculture. Innumerable reports show that there are great economies to be made in centralising and simplifying its distribution. I believe we should supplement these economies by giving what, in capitalist terms, would be described as a substantial subsidy in order to effect a yet further fall in the price and an increase in the consumption of milk. Whatever may be true under private ownership, I do not see how, under Common Ownership, we could subsidise the production of something whose distribution was not part of the communal service. Once again it would be folly to refuse to employ in the communal service those who have gained experience in distributing milk on a profit-and-loss basis, provided they are willing to serve loyally.

It is quite possible that there may be other services now largely run by small men which ought to be taken out of the realms of profit and loss altogether. But I remain convinced that innumerable activities will continue to be carried on by individuals running their own concerns independently.

Considering the matter first from a purely economic viewpoint, the presence of small men running their own enterprises will be valuable to the community. I have argued that large-scale industry under Common Ownership will be more efficient than under private ownership. I believe this to be

true. But this is not an absolute truth. It is the result of balancing a great number of truths. It does not weaken my argument—on the contrary, it strengthens it—to admit quite openly that there are *some* respects in which private ownership may be superior to Common Ownership. When two alternatives, both extremely complex, are weighed against each other, it is merely silly to pretend that there is everything to be said for the one and nothing for the other.

Common Ownership involves conscious and deliberate large-scale decisions.<sup>1</sup> I believe our conscious large-scale decisions will be on balance wise—or at least far wiser than those which would have been made by large-scale private enterprise. But any large-scale decisions must leave gaps and loopholes. It is very largely within the gaps and loopholes of the decisions of the giant organisations that small men are operating today. I see no reason why the gaps and loopholes which either are not covered, or because of their very nature cannot be covered, by the major decisions of the community as a whole, should not be filled by the activities of small men working independently. It would be madness merely for the sake of some supposedly absolute principle to leave these gaps open—and thereby to give grounds for justifiable complaints not only to those who might have filled them, but to those who fall into them.

As well as being economically useful, the continuance of small-scale independent enterprise is socially desirable. On this point it is necessary to avoid both of two extreme views.

Socialists sometimes seem to speak as if it were positively undesirable that men should make up their own minds on their own economic problems. Provided that the atmosphere of service is retained, it is surely desirable from every point of view that the greatest possible number of men should have the widest possible power, and therefore the highest possible

<sup>1</sup> I have pointed out that any system now practically possible involves conscious large-scale decisions and the real issue is whether these be taken by the servants of the community or of the shareholders.

duty to make up their own minds. It is for this reason that our industrial organisation should be such that those who run each individual factory are left to solve their own problems.

For the same reason the smallest group of men working on the humblest possible job should feel themselves responsible for deciding on the means of achieving whatever objective is before them.

*Laissez-faire* Liberals, on the other hand, go to the opposite extreme, and speak as if there were no chance of creating a harmonious society until almost everyone is in a position to manage his own affairs without reference to any decision made by anyone in authority over him. We have seen in Chapter V that the very structure of our economic resources makes this impossible.

But if we accept the inevitability of this situation, and if we can secure the supremacy of the service motive, it is then surely desirable on every social ground that as many men as possible should be as free as possible to make up their own minds in their own way.

Moreover, the fact that some men are in a position to make up their own minds on economic questions without reference to anyone else affects not only themselves, but the whole of the community. Supposing there be only so few as 200,000 such small men, and supposing they employ an average of only three men each, this gives us a total of over three-quarters of a million people employed outside the great resources which we own in common. This means that the overwhelming majority of us will always work upon the resources which we own in common, and probably most of us will never think of doing anything else. The work on the common property will set the tone to the whole community. But every one of us, throughout his life, will have the right to seek employment in one of the private enterprises, and at least as good an opportunity of actually conducting one of these enterprises as most of us have today.

I believe the overwhelming majority will be both more contented and more stimulated when working on communal enterprises. But however wise and generous we may be, it is quite certain that some people will feel that they have a grievance against the common endeavour. Some are quite certain to believe that their true abilities have been overlooked—that the community has not given them a chance. It will be of immense value to our community that they shall have had the opportunity at every moment of proving their worth to one or other of the large number of men privately directing the small productive units.

Moreover, this question of the continuance or suppression of the independent men involves, in one sense, no very serious issue of principle. Just as *laissez-faire* Liberals must take account of the fact that production in very large units has come to stay, and that what happens within the large units must set the tone of our national life, so, on the other hand, all advocates of Common Ownership must realise that there are also going to be small productive units. You cannot just abolish the village shop, the local garage, the small sawmill, the jobbing builder, the small holding, or the little basket factory. Someone must manage each of these concerns. And in the end only one economic question remains. Shall he receive a reward which takes the form of a straight salary, or shall it come to him as the difference between his costs and the sale price of his products?

I believe those who direct our substantial factories will be, and will feel themselves to be, independent. I believe that in the majority of cases they will work efficiently because they will desire to work efficiently. But we could not entirely *rely* on the motive of common service to ensure efficiency throughout every factory.

This is in no way inconsistent with my belief that a new spirit will and must inspire our whole endeavour. But we cannot expect that every man will be equally inspired by this same spirit, and many who direct factories will need the

additional incentive of knowing that their work, independent though it be, is observed by the relevant Council of Industry and the relevant branch of the Industrial Advisory Commission.

But if every small unit must be owned by all of us in common and managed by a salaried manager, then, though the majority of those managers would work with enthusiasm, it would still be necessary for some branch of our organisation to keep careful records of the results of their operations, in order to provide an additional incentive to many, and to check up on the minority of slackers.

If this is correct, then we should surely face the fact that it is administratively possible for a Council of Industry to take a live interest in the affairs of several hundreds of substantial factories. But it is not possible for any organisation to take any effective interest in the affairs of tens of thousands of small units. There is no way in which tens of thousands of small units can be supervised except through the introduction of deadening rules of thumb. Socialists have sometimes put life into their opponents' picture of "hordes of officials" by attacking indiscriminately the giants of private enterprise whose existence distorts the whole of our social life and the little men whose existence does not.

But some will contend that though we may desire to preserve the small men, we shall not be able to do so. Whether we succeed or not will certainly depend on whether those who lead our experiment in Common Ownership desire to preserve the men who manage their own little affairs. This is why it is so important that those who plead the cause of the small men should soon begin to advocate the Common Ownership of the great resources. If they have resolutely opposed Common Ownership, then Common Ownership must inevitably be introduced by men who have set no very high value on the continuance of independent economic action. But if we desire the small man to continue, I am convinced he can continue.

The very fact that those who manage each of the communally owned factories will be independently responsible for its efficiency will tend to keep the small producers in business. If the directors of such a factory had nothing to do but "indent" for nuts and bolts, it might well be that the Nut and Bolt Department of the "Ministry of Engineering" would have no time for the man with a quite small output of nuts and bolts. But when the managers of each factory are responsible not only for ordering nuts and bolts, but also for getting them, then I believe the manufacturer of even a very small output will succeed in finding a market. If the food to the factory canteens were to be supplied like the food to the army, the National Commissariat Department might have no patience with the man who turns out a few score of sausage rolls each week. But when the manager of the factory canteen is not merely responsible for filling up a form for food, but also for getting the food, I think he will find a use for the services of the little man.

Moreover, the community will still have its wages and salaries to spend. The highest may come down, and the lowest will rise; the total will certainly increase. But money will still be spent much as it is today. When our shoes wear out, we shall go to the local shoemaker; when our pipes leak, to the local plumber; and when we want a new garage, to the local builder.

It will be said that if I am right in supposing that giant industry must of its very nature squeeze out the small man, so much the more must Common Ownership squeeze him. Those who press this argument overlook the fact that the laws and the spirit of the new society under Common Ownership will be entirely different from those of large-scale privately owned industry. Large-scale private industry, by the law of its nature, must squeeze out small men. Its values are the values of profit and loss in balance sheets, and if profit is increased by squeezing out a small man, then he is squeezed out.



But when we can look at the total interests of the community as a whole instead of the separate financial interests of each of its parts, then, and then only, can we take account of other than financial values. I have suggested that in the case of the wholesale distribution of necessities and the total distribution of milk the balance of argument must compel us to take these entirely out of private hands. It may happen that in other spheres as well as these we shall find an economic advantage in the large-scale operations of the communally owned factories. In such circumstances the large-scale factories, if privately owned, would inevitably press their economic advantages to their logical conclusions. But under Common Ownership we can, if we so choose, deliberately decide that real values, other than economic values, are best promoted by whatever sacrifice in economic gain may be required to maintain the independent existence of small traders.

Though small men will continue to run their own private affairs, they will not carry on *exactly* as they do today.

They must understand that their income is a reward for service, and not a private right arising out of the ownership of property.

They will not therefore expect to receive incomes larger than the general run of those of the rest of the community. For this reason taxation and many other conditions will be so adjusted that those who are reasonably efficient will earn incomes which correspond to those of men of comparable status serving with our communally owned resources. Those who are not efficient will, of course, go out of business, as they do today. (But they will immediately find many offers of employment in communally owned industries.)

It seems to me quite certain that the "owners" of small enterprises should have no *right* to leave them to their own children, for this would give to those children a privilege

over other children. But it is an open question whether the community will not normally allow a son to carry on if he has worked seriously and well in his father's enterprise. If there is no such son, we shall have to find some means of deciding between the applicants who will seek the job of carrying on the business. (I cannot doubt that there will always be plenty of such applicants, but I do not think it worth while to forecast in detail the machinery by which we shall choose between them.)

Independent men will, of course, have to give their employees conditions in every respect as good as those in the communally owned industries.

It may be thought that existing small enterprises might exist until they died out but that no new ones could arise. I think this is a mistaken view. It has already been suggested that a man who secured the necessary support of the local branch of the Innovations Board might have facilities put at his disposal to try out his idea as a private venture. Thus Mr. Smith might have been given facilities for the idea of frying thin slices of potato very crisp and selling them in transparent paper bags.

Or consider the case of Mr. E. K. Cole. As I understand it, in the early years of radio Mr. Cole was working for some fairly large-scale employer. Under Common Ownership he would have been working in a communally owned factory. He began to interest himself in wireless. He made up some sets in his spare time. They worked well. A friend asked him to make him a set, a neighbour offered to buy one. He gave up his job and devoted himself entirely to making wireless sets. He employed a man to help him. And now there is an enormous factory. All this could have happened under Common Ownership. Indeed, if we are agreed that it is desirable that independent men shall manage small productive units, they will find innumerable opportunities for doing so.

It may be asked, What will happen when E. K. Cole's factory gets "too big"? Our rule is that a private individual

may administer any unit so small that he can and does effectively supervise the whole of its daily detailed working. This definitely means that when Mr. Cole's factory grows so large that this is no longer possible, we take it over. It is almost inconceivable that anyone other than Mr. Cole would be the first "managing director" of the factory which his skill had brought into existence.

## CHAPTER SEVENTEEN

### FOREIGN TRADE

I HAVE said nothing at all about foreign trade. Indeed, I have said nothing about the development of the world outside our islands, apart from a reference to the influence which Britain and the U.S.S.R. may be expected to exert over each other and over the world as a whole.

It is practically certain that the developments in our two countries must be the most decisive factors in the history of the coming decades. Any book which set out to forecast the future of the world as a whole would almost inevitably start from the majestic fact of our alliance.

But I have not set out to try to forecast the future history of humanity as a whole. I have tried to suggest what may happen in our own country if, as I believe, the world forces lead us to the adoption of Common Ownership over our great resources.

With such a purpose before me, it seemed legitimate to do no more than to notice that our alliance with the Soviet Union is likely to influence us most powerfully in the direction of Common Ownership.

Of the rest of the world I will say little. But it must surely be clear that at some stage allied victories over German arms will be reinforced, and the final stages of Nazi collapse will be vastly accelerated, by uprisings of the oppressed peoples and of the peoples of Germany. When these uprisings occur, all the countries of Europe are almost bound to work out their new way of living on the basis of the Common Ownership of their great resources.

As in the case of our own country, small properties, farms, shops, little factories, may still be owned by private individuals. But all the great resources are now owned *de facto* by the Nazi Party, and often by individual Nazi bosses. This party and these bosses are going to disappear. How is it then going to be possible to re-allocate the great resources to private individuals? How shall we find the individuals on whom the great privileges and powers of private ownership shall be bestowed? And if we cannot find these individuals, what alternative is there to Common Ownership of the great resources?

If we take account of the known aspirations of the Chinese and of the Indians; and if we take it for granted that a Britain animated by the spirit of Common Ownership will find means of handing over the government of India to the Indians; and if we assume that we will apply the same principles to our Colonial Empire; and if we further assume that inevitable defeat must lead to some form of popular uprising in Japan—then we may legitimately suppose that a Britain desiring to live under the principles of Common Ownership will find peoples desiring the same end, all the way from the shores of the Bay of Biscay to the shores of the Bering Straits.

This is likely to make our problem much easier.

If, however, all these forecasts are mistaken, if we have to make our experiments in a world which, in spite of the U.S.S.R., is still mainly moved by the forces of capitalism, then it is at least worth remembering that the Soviets have lived with success in such a world for a quarter of a century. They have not found individual capitalists unwilling to sell them goods, nor have they found individual capitalists unwilling to buy their produce when it could be offered on terms which promised profitable resale. It is true that tariffs have been raised against their goods when these competed with home products. But this has happened equally to capitalist Powers.

In any case, under Common Ownership no nation, how-

ever small and however thickly populated, could ever be starved by foreign trade. I am grateful to Penguins for permission to reprint here some paragraphs from *Unser Kampf* in which I endeavoured to show that this must be true.

“Foreign trade, as a matter of fact, was the only subject on which the classical economists really talked good common sense. They talked common sense because on this one subject they always treated each nation as a homogeneous whole—in other words, they treated it as if the people of each nation owned all things in common. They never said, ‘If the owners of the Lancashire cotton mills can produce shirts by paying to their workers so and so and if the owners of the American steel works can produce steel by paying to their workers so and so, then such and such results will follow.’ On the contrary, they always said, ‘If “Britain” produces shirts for so much, and if “America” produces steel for so much, then . . .’ Foreign trade under our existing system has not followed the developments which the classical economists advised as being manifestly the most profitable for one and all simply because they neglected the fact that many developments unprofitable to the general interest might be highly advantageous to the owners of substantial vested interests.

“Let us follow then the classical argument in order to show that even in the unlikely event of our being ‘beaten’ in the production of every type and kind of useful commodity, we could still keep our resources fully employed and still benefit by foreign trade. To make the problem seem a little less unreal we might consider what our position might be as against America if ten years of war had shattered our whole productive forces. In such a situation we might find that the Americans could ‘beat’ us in the production of everything. What do we really mean by ‘beat’ us in the production of everything? We mean that in respect of every conceivable commodity, the Americans

can produce a given quantity of it by the expenditure of fewer man-hours of labour than we can. Then can they starve us out? It is so unlikely as to be utterly inconceivable that the advantage which the Americans had over us would be precisely the same (in proportion) in every commodity under the sun. Of course, if this were so, well then, we would produce our commodities with our inefficient machinery and our unproductive fields, and they would produce theirs in their efficient factories and their productive fields, and there would be no trade between us. But we would live and they would live. They would live on a higher standard than we; and we would have to look round for some other nation whose 'advantage' over us in the production of some things was greater than its 'advantage' in the production of others.

"The more likely case is that we would find commodities of this kind in large numbers both in America and in Britain. Let us therefore consider a not unlikely pair of commodities—namely, oil and motor-cars. The Americans can beat us in both. Suppose in America they produce one car for one thousand man-hours of work, and one gallon of petrol for one man-hour of work. Suppose in Britain we can produce one car for two thousand man-hours and can distil from coal one gallon of oil for four man-hours. Now what happens? The American ship, say, 1,500 gallons of oil to Britain. This oil costs them 1,500 man-hours. In Britain it is worth 6,000 man-hours. Therefore we are perfectly willing to give the Americans two cars in exchange, because two cars cost us 4,000 man-hours. When these cars are taken back to America they are worth 2,000 American man-hours, that is to say more than the value of the oil.

"By this transaction the Americans have gained, by the expenditure of 1,500 man-hours, something which without foreign trade would have cost them 2,000 man-hours. We have gained for the expenditure of 4,000 man-hours

something which would otherwise have cost us 6,000 man-hours. Of course we have to reckon in the actual costs of transport, which will not be so high as to absorb the whole of the gains of the two nations. We also have to notice that our 'profit' in this specimen transaction is 50%, while the American profit is  $33\frac{1}{3}\%$ . This would mean that in practice we would probably have to throw in a motor cycle as well to square the matter up.

"Those who are satisfied by these figures that America could not actually starve us by sending us her goods direct (what a topsy-turvy world we are in which can make large numbers of people actually wonder whether this could happen!) may still wonder whether the Americans could not 'wipe us out' of all foreign markets. They cannot, but the necessary calculation would extend to too many pages if it were not reduced into a semi-mathematical form.

"Let us consider three countries: America, Britain, and Cuba, and let us assume that they produce cars, oil and sugar. In the following calculations "mhA" means one man-hour in America, and "mhB" and "mhC" have similar meanings for Britain and Cuba. The following table shows how many "units" of oil, cars and sugar can be produced by 100 man-hours in the three different countries.

<i>In America</i>	<i>In Britain</i>	<i>In Cuba</i>
100 mhA—30 oil	100 mhB—8 oil	100 mhC—9 oil
100 mhA—12 car	100 mhB—5 car	100 mhC—6 car
100 mhA—6 sugar	100 mhB—2 sugar	100 mhC—4 sugar

"It will be seen that America 'beats' Britain and Cuba in everything, and that Britain, in turn, is universally 'beaten' even by Cuba. Now, can the Americans wipe us out of the Cuban markets or wipe the Cubans out of ours? A little examination will show that the 'best' commodities of the three countries are, respectively: America, oil; Britain, cars; Cuba, sugar.



“ Now consider the trade of Cuba.

“Cuba sends 4 units of sugar to America. (It is, of course, quite immaterial for the argument what the ‘unit’ may be. It may be a thousand tons, or one ton. All that matters is that it remains constant throughout the argument.)

“In America, 4 sugar is worth  $66\frac{2}{3}$  mhA, which, in its turn, is worth 20 oil. Therefore, the Cubans can purchase (subject of course to transport charges both ways) 20 oil for 4 sugar in America.

“If, on the other hand, Cuba sends 4 sugar to Britain, in Britain 4 sugar is worth 200 mhB, which, in its turn, is worth 16 oil. Therefore, the Cubans can purchase 16 oil for 4 sugar in Britain.

“It is, therefore, much more profitable for the Cubans to take their oil from America, and as far as oil is concerned the Americans can completely wipe us out of the Cuban market.

“What happens to the trade in cars?

“Consider again 4 sugar sent by Cuba to America. This is again worth  $66\frac{2}{3}$  mhA, which is worth 8 car. Therefore, from America, Cuba can purchase 8 car for the 4 sugar.

“In Britain the 4 sugar is again worth 200 mhB, which is worth 10 car, and Cuba can therefore purchase 10 car for the 4 sugar.

“It is therefore much more profitable for Cuba to take cars from Britain, and as far as cars are concerned, America cannot wipe Britain out of the Cuban market.

“A similar calculation will show that America can wipe Cuban oil but not Cuban sugar out of the British market.

“Of course under private ownership things may be very different. It does not pay the *people* of Cuba to purchase American rather than British cars, or to shut out American oil or British cars altogether. It may pay the individual American motor manufacturers to force American cars on the Cubans, and it may pay Cuban oil producers or motor

manufacturers to exclude British cars or American oil. In this way, under our present system, foreign trade is distorted, and the calculations of the classical economists—accurate on the assumption of common ownership—are falsified.”

To what conclusion does this analysis of foreign trade lead us when we consider international organisation? By great good fortune it leads us away from the conclusion that we shall need a powerful international economic government, for though it is certain that national sovereignty must be progressively weakened, it would impose too great a strain upon us if we all had to hand over the government of our economic lives to an international body. Though humanity is one family, and though we must direct our thinking towards an ever-growing realisation of this fact, yet those who are most advanced in this direction—and those, indeed, who must lead us if we are to be saved—would expose themselves to defeat at the hands of reactionaries all over the world if their thoughts led to a position in which each country had to work under the orders of “a bunch of foreigners”.

But where an international government cannot order, an international cost accountancy organisation can advise.

And this, I think, is precisely the organisation we shall need.

The simplified example of three-cornered trade which I have given may seem complicated to those who have never handled elementary algebra and who are naturally not at home amongst such symbols as “mhA”. In fact, the whole of my example depends on no principle more advanced than the “rule of three”. And *in principle* international trade is exactly as simple as this. You find out which commodities you produce best in relation to other countries, and you exchange these commodities for those which the other countries produce best in relation to you.

But this process, transparently simple in principle, is, of

course, complicated in practice. It is not easy to say that "Britain" produces eight units of oil by the expenditure of a hundred man-hours. Different mines and distillery plants may be of different efficiency; we may want to know whether the men whose hours we are considering are skilled men or unskilled men; we may want to take account of the fact that in a few years' time substantial economies in man-hours seem likely; and there must be many other complicating factors.

None the less an international cost-accountancy organisation, working out its costs not in terms of money but in terms of man-hours, ought to be able from an early date to offer very general advice to the nations of the world.

It will, of course, work in the closest touch with the Economic General Staff (or other similar body) of each of the countries concerned; and it will be in the interest of the Economic General Staff to give the most accurate information and to receive the most accurate advice.

The international organisation ought to be able to say to the Economic Staff of each country, "These are the things you can produce best, these are the things of which your productive capacity seems to exceed your likely demand, these are the countries which stand in greatest need of these things; on the other hand, these are the things which you produce least well, these are the things of which your productive capacity falls short of your demand, and these are the countries which produce these things in excess of their demands."

This advice should show each nation where it can find a market for its produce and whence it can expect to purchase its needs.

It does not, of course, follow that each country will accept the advice in full, or at once. The French Government might be advised that it would be in the general interests of the people of France to produce less wheat, to import more wheat from abroad, and to produce more manufactured products for sale abroad. The French Government might find that, for social reasons, this economically advantageous

advice could not be immediately taken. In this case those countries which could win the greatest economic advantage by exporting wheat to France and importing manufactured goods would have to be advised that this desirable course was not possible. In consequence, they would have to press forward with the manufacture of the finished goods at home, even under economic disadvantage.

Problems of this kind will lead to a certain amount of discussion and even of friction between different communities. But they are unlikely to interrupt the general pattern of international economic co-operation.

The international advisory body will certainly be supplemented by several other *ad hoc* international organisations set up to deal with special problems. Thus there is likely to be a special body dealing with the whole problem of European transport, a special body dealing with the allocation of radio wave-lengths, a special body dealing with the development of water-power throughout the Alps, a special bodies dealing with the control of diseases, and many others. From out of these, and from out of the general advisory body, an economic government of the world may, and probably will, in fact emerge. But at no stage need the process be forced.

## CHAPTER EIGHTEEN

### HOW WE WILL GET IT

**E**VEN the reader who agrees in general with what has been said may ask, How will it all be brought about?

He will have in mind, of course, the opposition which must be encountered from the powerful owners of the present day, and from their allies—the people who cannot easily adopt new ideas. It is obvious that these people, between them, now occupy most of the positions of power. How can the new ideas surmount these barricades?

It is a very human thing to want to know exactly what is going to happen to us—how to get to the station, where to buy the ticket, when the train goes, and at what time we arrive. Those who forecast the movements of railway trains can satisfy this desire. Those who attempt to forecast the movement of world events cannot.

If the analysis of the great world forces is approximately correct, then we can say that in the end they must lead to results which can be broadly described. But if the reader will carefully examine his question, he will find that he is asking me to write a detailed history of the events of the next few years before they take place. History can only be written in detail after events have taken place. And when there are so many great forces at work in the world it is impossible to forecast every situation through which their various permutations and combinations may lead us between our present and our goal.

Anyone who attempted on the 21st of June, 1941 to forecast the precise means by which Nazism was to be destroyed must

have had his forecasts upset on June 22nd. And it is even harder to forecast the whole social and political development of a future which must contain surprises as great as the Nazi invasion of the Soviet Union.

And, after all, is it really so necessary for us to know exactly what is going to happen? "And he replied: 'Go out into the darkness and put your hand into the hand of God. That shall be to you better than light, and safer than a known way.' " Many were moved by these words when they were applied by the King to the unknown developments of external war. Why are they not equally moving when applied to the unknown internal developments of our own country?

Nevertheless if we avoid too close a forecast of *events*, if we are not too particular about dates, if we concentrate our attention mainly on *movements of opinion*, something may perhaps be said.

Within twelve months, and perhaps within six, there will emerge a clearly defined organised and active opposition to the whole policy which is at present being pursued. The people of this country, in the last quarter of a century, have passed through a vale of moral despondency. There has been no leadership, and no moral inspiration. This opposition will be the organised expression of our people's rediscovery of moral purpose. Beneath the surface of superficial public opinion this movement is already far advanced. Millions of people are anxious to slough off the ugly skin of the past. This opposition will be the sharp-cutting edge which this process will require.

Unselfish service to humanity as a whole must replace the sordid struggle for individual and national self-interest. This will be the focal point of the case presented by the opposition, and at the same time the source of the dynamic which will carry it forward.

The opposition will have no doubt, and will leave our people in no doubt, as to the need for a radical change in the nature and motives of individual men and women. But

equally it will have no doubt that men and women cannot live on a higher moral plain within the framework of an immoral society. Thus the opposition will demand simultaneously better men and women and a radical reconstruction of our political and economic life. It will, in fact, proclaim that there can be no higher way of life, no moral inspiration, while the private ownership of great resources condemns us permanently to a self-regardant way of living.

When this opposition is asked to describe in detail how we shall live when the great resources are owned in common, I do not expect that every dot and comma of this book will be endorsed. Indeed, much that I have written will be dismissed as unsound. But the answer will, in a general way, follow the main outlines of the picture I have tried to represent.

Those who cannot accept the new ideas will meet the new opposition in three ways. First they will ignore it, then they will laugh at it, and finally they will accuse it of splitting the war effort.

Nothing need be said about the first two points. It will be our business to make ourselves neither negligible nor comic. But something may as well be said in advance about the third charge which will be levelled against us.

The new opposition will not split the war effort. On the contrary, from its very first emergence it will increase that effort.

I know that this will be incomprehensible to those who level the charge against us; and indeed I cannot expect them to understand the paragraphs which follow.

We have today perhaps the greatest war leader of all time. At his bidding and under his leadership we have made great efforts and great sacrifices. And whenever the call has come individuals have been able and willing to rise to the very heights of heroism. Thus it may be said with absolute truth that Mr Winston Churchill has saved us from defeat.

But this is not enough. Our aim is not to avoid defeat, but

to achieve victory. For this greater efforts are required. And victory is not won unless acts of individual heroism are supported upon a general enthusiasm to make all the tedious recurrent and accumulating sacrifices which the real war effort must entail. In this direction we have not yet done nearly enough. It is not too much to say that in order to win—above all, in order to win in time to save anything from the universal destruction—we must be enthusiastic to accept a rigid war discipline, to live—all of us—on iron rations, and on top of that to work like tigers every working hour of the day and night. This is what our war effort requires. This is what must be demanded of our people. And it is at this very point that we are failing now because of the complete absence of any acceptable visible leadership towards a wholly different future.

Let there be no doubt about one thing. Although the majority of our people do not subject their own opinions to any very searching analysis, there is a great difference between this war and the last. Then, though all talked of a new world, each ardently desired to go back to the world he knew before. That is why we went back. Today the overwhelming majority are filled with an inverted nostalgia. They are filled with a positive and quite conscious longing not to go back to the particular world which they knew before. And they see no leadership whatever towards anything different.

Indeed, the present situation, if it were allowed to continue, would almost guarantee a return to the past. The real positions of power are all held by the men whose minds are in the past. All the plans are being worked out under the apparent supreme direction of men who take it for granted that the whole resources of this country shall remain the properties of private owners. This is happening before the eyes of everybody.

If this were allowed to continue it would mean that at the decisive moment of victory over Nazism the old ideas would



have a walk-over, the new ideas would have no chance. The new ideas would be disorganised. They would have no recognised leaders. They would not have been thrashed out either in general before the public or in detail among consciously like-minded experts. As an inchoate mass of human desire these new ideas would meet the beautifully organised plans of the old minds and of the men who would in fact be in a position immediately to put their plans into operation.

Now, everyone is willing to give much to defend his country, whatever its future may be. But millions at this moment are not able to give their all simply because they can see no chance of the country developing on the lines which they desire. It is no use for those who do not agree to grow angry, and to say that these people ought to be willing to give their all in the struggle against Hitlerism. The people with whom we are dealing know all about the horrors of Nazism, and they cannot be made more enthusiastic by a mere reiteration of the details. Incidentally some of the people we are here considering knew all about the need for resisting Hitler several years before the people who grow angry stopped supporting him. But in any case we are dealing not with what ought to be, but with what is. And it is the fact that in the present situation millions of people are as effectively prevented from making their fullest contribution as if they had been deprived of an arm or a leg.

It must not be supposed that these people insist that they cannot give anything until they have an absolute guarantee that everything is going their way. This is a demand which no one can make in a democracy. But today millions are asked to give their all in conditions which seem to offer no smallest chance of their ideas even being effectively presented in the councils of the nation. It is this which is killing their enthusiasm. It is this which must be remedied before they can accept the conditions of enthusiastic hard work, of discipline, and of reduced consumption which are the absolute

prerequisites of certain victory.<sup>1</sup> It is this which will be remedied by the emergence of the opposition, however feeble it may seem to be at the outset. Thus from the very first moment of its existence the organised opposition will be a factor tending to increase war production.

Indeed, I have myself seen this process at work on a very small scale, and therefore speak with some confidence about its wider development. I have met the soldiers who say, "Well, why should I? What does it mean to me? It'll all be just the same as last time in the end." Once or twice I have been able to talk to such men about all the things that are going on beneath the surface. I have told them in some detail of the spread of the message from Malvern through the churches, of the changing ideas and ideals of wide sections of the middle classes, of the new understanding among factory technicians and managers, of all the little straws which show the coming of a mighty wind. I have gone on to describe my own certainty of the emergence of an effective opposition. And I have seen in these men a new willingness to tackle all the boring jobs and bear all the tedious sacrifices which victory requires. The same thing will happen on a much larger scale when the organised presentation of the new ideas is no longer a semi-secret promise from an individual, but a fact apparent to the eyes of all men.

There are one or two other things that can be said about this opposition. It will, either at once or in a short time, attract a certain number of men whose names are well known to the public. But most of its leaders will be men whose names are hardly known at all.

The Communist Party will play no part in this new movement, which it will totally fail to understand.

<sup>1</sup> I am not here speaking of absolute reduction in consumption by everyone. All those who are living at or below the standards of the average families of private soldiers should be allowed a modest increase in their consumption. *All* who are living above the resulting standards must accept a reduction.

Unfortunately for that Party, Communists have made themselves too ridiculous in these last two years. They have always been foremost to insist that the mere fact of war can make no fundamental difference to the situation when the outbreak of the war could have been foreseen as inevitable many years in advance. And yet twice in two years, they have allowed the outbreak of a clearly predictable war to turn them upside down. That they have been forced to these contortions shows beyond doubt that their fundamental analysis of world forces is at fault. And those of us who have moved forward—admittedly with groping and sometimes fumbling steps, but none the less always in one consistent direction—really cannot listen to them when they say: “Look, we are standing right way up again now, so please come in and co-operate with us.”

Moreover, there is no such thing as co-operation with a Communist. It is important to be clear about this question of co-operation, for, in common with many others, I have sometimes found myself accused of an unwillingness to co-operate and to adjust my ideas to those of others. Every man must have certain fundamental ideas which he will not compromise for the sake of co-operation with anyone. In my own case I will not compromise on the idea that the continuation of private ownership of the great resources, effectively prevents us from becoming the people that we need to be if we would now succeed. I have found no possibility of real co-operation—indeed, I have found no common language—with those who do not accept this position. But with those who do accept it, I and my friends have been willing, and are willing, to co-operate, to discuss and adjust our ideas, and to accept any majority view whenever it is clearly expressed. Not so the Communist. His case is not divided into fundamentals which cannot be changed, and detailed applications of the fundamentals which are open to discussion and co-operation with others. Without ever admitting the sad follies of the last two years, he still insists that the whole of

his case is, and always has been, unalterably correct. He joins with others without the slightest intention of making a contribution to a common pool of thought. He comes determined to seek such schemes as will win complete domination over the whole enterprise for his own cast-iron ideas.

Moreover, Communism is now old-fashioned. It takes no account of the new knowledge, the new facts and the new forces which have emerged in the last twenty-five years. It will treat the developments of the next few years as a cross between Liberal-Reformism, Social Democracy and Religious Obscurantism. Its actions will be quite as often wrong as right.<sup>1</sup>

The position of the Labour Party is, of course, wholly different. Whatever happens, it has an immense part to play. For all its timidities and all its misfortunes, it has commanded, and commands, the allegiance not, as some suppose, of the dole-scroungers, but of the most alert and the most unselfish of our people.

It is not possible to predict the future of this great party. But this much can be said, and must be said quite bluntly. Any attempt to canalise the whole of the new spirit which is welling up within this country and to force it to flow through the bottleneck of the present Labour Party machine must prove disastrous to the Labour Party and may prove disastrous to the nation and to humanity as a whole.

The Labour Party and the men and women who are now members of the Labour Party have a great part to play. But the particular political machines which served well enough—or, if it is preferred, served ill enough—as the organised expression of the conflict of ideas in the pre-war years, cannot take upon themselves the exclusive interpretation of the ideas which are now more and more clearly emerging. Indeed,

<sup>1</sup> It would be as well to admit that these views on the possibility of co-operation with Communists are different from those I expressed before the war. Many factors then unknown to me—and some factors unknowable—may have partly excused my mistakes. But it would be better to admit quite bluntly that I was wrong.

the history of the next few years cannot be expressed in terms of the victory of one old party over another old party. What is going to happen can only be explained in terms of the rediscovery by a whole nation of its very soul.

This is the great fact which will lie behind the emergence of the new opposition. And, not so much as an end desirable for its own sake, but rather as an incidental consequence of this great rediscovery, the new opposition will win political power.

Will this happen before or after the end of the war?

That must depend on the course of the war.

If, by any happy chance, Nazism soon collapses, or if the war, though prolonged, does not involve any unprecedented increase in our suffering or involve us in any moments of acute crisis such as that of June 1940, then the opposition, though attracting the allegiance of many citizens, may achieve almost no direct political influence while the war lasts. If, as I believe more probable, we must face many more years of struggle, much greater sacrifices, and at least one more major crisis, then I would expect the opposition to gain a political ascendancy during the course of the struggle.<sup>1</sup>

The reader may want to know how this will be possible. From September 1939 to April 1940 we did not know how we could possibly secure a new leadership, though every thinking man knew it to be essential. But in May 1940 we did secure a new leadership. And even though we do not know how it can be done, we may be quite sure that what has been done once can be done again.

The reader is also bound to ask whether the new direction is possible under the leadership of Mr. Churchill. I hope and believe that it is; but this must depend on Mr. Churchill. If he is countenancing the present policy because he fears that

<sup>1</sup> I would not expect individual members of the opposition to gain exclusive control over every office of State, but I would expect them to gain for their ideas the same general ascendancy over policy as is now held for the old ideas.

he cannot simultaneously fight Nazism and the Conservative Party machine, then we can show him that he is wrong. We can show him that this machine is a paper façade with no backing whatsoever from the people of this country. True it is supported by men who are now influential. But we can show Mr. Churchill that their influence would vanish in a single hour if he withdrew from them the shelter of his umbrella. If this be Mr. Churchill's position, he will of course continue as our leader.

Or again, it may be that he pursues his present policy because amidst the pressing cares of major strategy he has not been able to see the possibility of any alternative policy. If this is so, we can show him the alternative, and he can continue as our leader. But if he pursues the present policy because it is the policy which in his own heart he desires, then no doubt he would find it impossible to be responsible for developments in a quite different direction.

The reader may also desire to know what would be done if the new ideas established their ascendancy in time of war. This question cannot possibly be answered in detail, because the answer depends on the pressing emergency of the war situation. What can be said is that the very crisis which would bring the new ideas to the top would also from an internal political point of view sweep away many of the political obstacles which might prove formidable in time of peace. And in general it can be said that such a Government as I am describing would give us precisely what some of us mistakenly thought we were getting, and what almost all of us actually wanted, in June 1940. What we wanted even then was an unlimited mobilisation—or indeed a real conscription—of all the resources of this country—of all life, *and all property*—for the winning of the war.

Even in its very broadest outlines the political future is much more difficult to forecast if we reach the conclusion of hostilities under the present Government—changed no doubt in the detail of its personnel, but unchanged in its general outlook.

If this were to happen, then the Government, with the present ideas, would address itself to the task of reconstruction. It would tackle this task on the lines of public control over private ownership, which in my view involves in the last resort the private ownership of the public control.

It is not certain that this experiment would be economically disastrous in its initial stages. A really clever juggler like Mr. J. M. Keynes might keep all the balls in the air for some time. And indeed if the present ideas persist, and if he retains his great powers, I would expect no one to be more truly the ruler of the immediate post-war world than Mr. J. M. Keynes.

But however brilliant his economic achievements, there could not be in his performance any trace of moral inspiration. There could be no sense of adventure, no new dynamic, no advance to new endeavour, no sense of communal purpose, no belief in a renewed high calling. However sensibly we might adjust our differences around no matter how many tables, we would still begin by presenting our demands in terms of self-interest, and not of service. And it is this which is fatal to the release of the new dynamic of mankind.

In these circumstances, even if economic prosperity showed no signs of early collapse, I would expect the opposition soon to be swept into power on purely moral grounds. I may be too optimistic. In that case, since it is impossible that the economic problems be permanently solved on the basis of public control over private ownership, it might be that the opposition would have to wait until economic disaster reinforced moral indignation.

But in either event the opposition will win political power.

But what will happen then? How shall we overcome the obstruction of the Lords and the sabotage of the powerful few? I must refuse to go any farther. All I can promise is that this obstruction *will* be overcome. For when that time comes we shall not be in the presence of a mere political victory of one political party over another : we shall be taking

part in the "forward march of the common people towards their true and just inheritance". And nothing shall stand in our way.

THE END

*If anyone desires to take part in this movement now, I am, at the moment of writing, perhaps as likely to be able to offer him the necessary advice as anyone else. And I will reply to any letter addressed to me at the House of Commons.*





## APPENDICES



## APPENDIX I

### THE MACHINERY OF DEMOCRACY AND THE LIBERTY OF THE PRESS

AT the end of Chapter Five I drew attention to the fears which are entertained about the ability of the democratic machine to handle the volume of business which Common Ownership will impose upon it.

It is not my purpose here to offer a detailed description of all the improvements which may have to be made in this machine. But it is perhaps worth while to make one or two points in order to suggest the lines along which we should look for improvement.

I think it is profitless to look forward to a development of democracy in which political parties, more or less on the general lines of those we have known in the past, will be eliminated. Party machinery stands in need of very thorough overhaul, but this is not the same thing as saying that parties as such must be abolished.

Democracy, if it is to function, requires organised criticism directed by and centring upon a team of men who are prepared to back their criticism by taking over the task of government and doing it better. But what is this other than a more accurate way of saying that we need political parties?

Though parties as such will have to be preserved, it is important to diminish party-mindedness among our citizens. We shall need an organised team of critics, or several such organised teams, but we should try to prevent the situation in which large numbers of citizens attach themselves to one of these teams and support them rather as the in-

habitants of Chelsea support the Chelsea Football Club. I said at the beginning that the success of all the proposals I make depends on a change in the very nature of individuals. One of the changes to which we must look forward is the development of a greater willingness to take a live interest in politics and to give support to the party which is right rather than to the party for which one's grandfather always voted.

Moreover, individual criticism may be effective on one particular issue or another. Yet if the people are to have the essential power which can only be theirs if the Government knows it can be turned out and replaced by another, it is essential that those who direct the organised criticism be united amongst themselves and divided from the Government on some fundamental issue or group of issues.

It is for this reason that the political truce—though there is a good deal to be said for it in time of war—is a serious handicap to real democracy. Constructive criticism tends to thwart itself when it comes from people of such widely divergent fundamental views as Mr. Hore Belisha, Lord Winterton, Mr. Clement Davies, Mr. Emanuel Shinwell and Mr. Herbert Williams. Not merely criticism, but also government, will be vastly improved when this shadow Opposition, or some substantial part of it, finds some really cohesive principle on which to centre the whole of its suggestions.

It is almost profitless to speculate on the great issues that may divide parties under Common Ownership. They will be utterly different from those which we discuss at the present day. Unless the Common Ownership Government is defeated at its first general election, I would not expect Common Ownership of the major resources as such to remain a political issue for any length of time. But all the following points might give rise to genuine and deep-seated controversy. What should be the scope of small-scale private enterprise within the framework of Common Ownership? What part

of our resources should we devote to producing goods for immediate consumption and what part to capital goods to increase future consumption? Should we produce more and more goods of all kinds, or should we reduce hours and have more time to enjoy a smaller output? Should we devote all our endeavours to the promotion of our own well-being, or should we set something aside as a free contribution to the well-being of less fortunate or less developed peoples?

On some or all of these issues, or on other issues which cannot be foreseen, it is certain that an organised opposition will develop. And whereas this opposition will direct searching *ad hoc* criticism against any action taken by the Government, its total criticism throughout any period will be co-ordinated under its opposition to the Government's "ideology" on the major issues.

Sir Stafford Cripps has published proposals for establishing permanent committees of the House whose members would be expected to become expert on the subjects which the committees discussed, and they seem to be unanswerable.

I can see no answer to the demand for Proportional Representation. Those who say it will lead to weak government through multiplicity of parties are in part afraid of having a Government which will have to pay attention to the views of the House; and in any case Proportional Representation has not led to multiplicity of parties in Ireland, where [the voting strength of parties in the country is accurately reflected in the Dail. It would seem that the ability to express our political views through relatively few political organisations does not depend on any particular electoral system.

Far more important than either of these points is the fact that the increasing complexity of political work imposes upon members of parliament a burden of obligations which no single man can possibly bear. Members should not expect

large salaries, but they should be provided free of cost with secretaries, who have gone through a course of training in the principal acts and regulations which the member must master in order to present the grievances of his constituents to the relevant committees. But this is not nearly enough. I most earnestly recommend the suggestion that each member, after his election, shall be allowed to choose a deputy—or Parliamentary Private Secretary—whose views, in his judgment, correspond as closely as possible with his own. These two should work as a team. And either but not both of them should have the right to speak and vote in all sessions of the House or its committees.

As an alternative the House should be divided into two Houses, of which one would be the supreme Council of State, and the other the Council for Minor Matters. If this were done, the elected member, though having the right to sit and speak in the Council for Minor Matters, would normally appoint his deputy to do so, and in this case the deputy might be required to undergo a course of training in the subjects under review.

Members of Parliament should be assured of a reasonable income for life even if they are defeated at a subsequent election and never sit again. It may be that Common Ownership, with its guarantee of employment for everyone and its sweeping reduction in the disparity between the largest and the smallest incomes, will achieve this result without special provision. If not, special provision must be made. After all, members are only human beings, and I am quite certain that in recent years excessive party discipline has been enforced in part by the fear that a frank expression of opinion would expose the member quite literally to unemployment and complete loss of all income. The cost of any pensions scheme, however generous, will be a small price to pay for the freeing of members from this distorting fear, even though it may mean that we shall be paying pensions to some men whom, on a general view, we do not consider worthy to receive them.

Moreover, it would be worth trying the experiment of giving the House of Commons a Judge as well as a Speaker. It would not be the function of the Judge to decide any issue; but it would be his function to point out whether there were serious arguments advanced by one side which had not been referred to by the other. He would have to do this before the end of the debate, and his services would probably be called on only in debates of first-class importance. It may be that we could not find a man of the necessary impartiality, but the House has always found men impartial enough to act as Speaker. And it has been sickening to me to see the Government "getting away with it" time after time in debates cut short by the clock, without ever having touched the serious arguments which the Opposition put up for answer.

Finally, if democratic criticism is to be anything much better than superficial guesswork, it is essential that the Opposition be allowed representatives inside the great departments of State. It will, of course, be inconvenient, and often embarrassing, for the Government to have, as it were, shadow Ministers of the Opposition "spying" on their work. But it must be remembered that the Civil Service belongs not to the Government, but to the community. In these last years the absolute inability of the Opposition to found its criticism on real knowledge of what is going on, and the consequent ability of complacent Ministers to assure the House that everything is satisfactory, has destroyed democratic criticism. And it is more important that democracy should function on a basis of information than that the Government should escape from inconvenience.

The shadow Ministers should not have the right to be informed about plans before they are published to the House as a whole. They should not have the right to occupy more than, say, 5% of the time of the most important officials. But otherwise they should have the right to know everything.

Many of these suggestions are revolutionary in the sense that no one has made them before. I run the grave risk



therefore of their being not merely dismissed without consideration, but of their prejudicing an impartial consideration of the rest of this book. I am not absolutely convinced that any one of them is proof against all counter-argument. But as everyone is agreed that the present machinery of democracy is not fully standing up to the strain imposed on it by modern conditions, and as everyone is agreed that democracy must be made to succeed, and as we must reject the view of those who would "abolish parties", somebody some day has to make some proposal which has not been made before.

In any case, I do not suppose that these exhaust the proposals that could be made. I do not suppose that they necessarily include the most important of the improvements which will be found to be necessary. I make these proposals here merely to indicate the sort of lines along which we shall have to seek to improve the sheer mechanics of the democratic system.

The right of the people to criticise and eject their Government is diminished if Opposition views cannot be expressed in the newspapers.

It is very easy to exaggerate the importance of the Press in this respect. For example, at this moment I know, at first hand, that opinion in favour of Common Ownership is spreading very rapidly indeed, in spite of the fact that hardly one of the popular newspapers, and comparatively few other papers, ever speak in its favour. To this general rule the only substantial exception is the ever-admirable *Reynolds News* on Sundays.

I have not, however, the slightest doubt that we can secure a majority for these ideas though no newspaper ever speaks in our favour.

None the less, a Press which in the main expresses Government views to the exclusion of serious criticism is clearly

undesirable. In fact, we can draw up a list of the objectives to be achieved by a really democratic Press :

(1) No newspaper must be under the ultimate domination of a powerful individual owner or small group of owners.

(2) No newspaper must be under the influence of powerful groups of financially interested advertisers.

(3) The Government must not have the power of excluding criticism from any newspaper.

(4) There must be a reasonable probability that every kind of newspaper for which there is a substantial demand will in fact be published.

(5) There must be a reasonable probability that any important set of opinions held by any substantial number of people will find support not only in the columns of some newspapers, but in the editorial policy of at least one newspaper.

(6) There must be a virtual certainty that any view which is held even by a quite small minority shall find expression in the columns of at any rate some newspapers.

These are the objectives to be aimed at. The reader will form his own estimate of the extent to which they are achieved under our present system, and he must judge the proposals which follow, or any alternative proposals which are made, not by asking whether they represent perfection, but by asking whether they are better than the present system.

Under Common Ownership the community will own the major printing presses, and it would unfortunately seem to be impossible to establish two or more separate authorities to decide in the last resort for what purposes these should be used. There can be only one such authority, which might be called the Publications Commission, and our problem is to secure that the composition of this body shall be such as to give us the newspapers which we actually require. Most

important of all, this Commission must be prevented from any possibility of even appearing to fall under the domination of the Government.

To this end its members should very largely be chosen by the men who work in the newspaper industry, either as editors, writers or typesetters.<sup>1</sup> It may be that either at the outset or after a few years this would be enough. But more probably it would be better to have some members of the Publications Commission chosen from outside the industry. In which case those so chosen should be subject to the absolute veto of the Leader of the Opposition. He would not be likely to make himself unpopular by exercising a veto against a choice which would reasonably reflect the various opinions of the country; but there would be a guarantee that the Government, under pretence of choosing well-known men, would not choose only such well-known men as could be relied upon to support Government policy.

The Publications Council would in the last resort be responsible for deciding what publications should be produced. The choice of editors presents many possibilities. They could be chosen by the Council, elected by some or all of those engaged in the industry, or, in the case of papers printed for or at the request of clearly organised groups (see below), by the membership of the groups concerned.

A very important democratic principle is involved in the method by which the decision to produce a paper would be taken. When a decision must be either one thing or the other (for example, when we have to decide whether the wages of the highest executive shall be four times, ten times, or twenty times those of the least skilled worker), the decision must be by majority. But when the decision to do one thing does not rule out the possibility of doing another (for example, when it has been decided to publish a paper like *The Times* and the question arises whether also to publish a

<sup>1</sup> It does not seem worth while to forecast the precise organisation by which this choice should be made.

paper like *Lilliput*), then different methods should be adopted.

In such a case the body which has to exercise a decision should be fairly large—say between twenty-five and a hundred members. If there were twenty-five members, any proposal which secured the positive approval of, say, five should be proceeded with, even though the whole of the remaining twenty were against it.

It goes without saying, I think, that under Common Ownership the community will desire to set aside quite substantial sums of public money for the support of journalistic enterprise, in addition to the money received from the sale of the papers.<sup>1</sup> A substantial part of this revenue will be set aside each year for the exclusive purpose of starting new papers.

Any proposed paper which secured the positive support of the necessary five members would automatically be launched with the backing of its appropriate share of the money so set aside. Whether it would continue in publication would depend on its success with the public.

The position, then, would be this : as far as starting a newspaper is concerned, the man who owns a million pounds will be far less free under Common Ownership than he is today, partly because he will only enjoy the appropriate compensation income, and partly because no one will allow him, of his own free will, to use a printing press on a large scale. But this is precisely what we desire to achieve under Objective (1) above. The plain man who has ideas about the Press—whether he is engaged in the industry (as he most probably will be) or whether he is not—will be in much the same position as he is today. Instead of having to persuade

<sup>1</sup> This money will be allocated to the different papers in proportion to the circulation they ultimately achieve, whether or not they carry the announcements of the National Publicity Council. Many papers will, in fact, carry the announcement of this Council, and, taking the Press as a whole, this income will correspond to the present advertising revenue without placing any paper under the power of the advertisers.

one or more rich men that his ideas are worth backing, he will have to persuade five or more of the members of the Publication Council.<sup>1</sup>

Any recognisable grouping of citizens will have the right to ask that a newspaper, or a better newspaper, or more newspapers, be published for their benefit. These groupings may be occupational, religious, recreational, technical or political. In fact, whenever five members of the Council or of its relevant sub-committee are convinced that there is a potential demand for any specialised newspaper, such a paper shall be produced. If circulation proves that the optimistic forecasts were exaggerated, the paper will be withdrawn.

In addition, presses, either owned by the community or run independently by individuals, will be prepared to take orders for any particular piece of printing. This means that any organised group of people may choose to collect such sums as will enable them to have leaflets printed for free distribution or for sale. The fact that some group was able to maintain production of a leaflet of this kind would powerfully influence the decision of members of the Council, or of its sub-committee, when the group asked for the right to have a newspaper supporting their views or catering for their needs under an editor of their own choosing.

I want to emphasise very strongly that these proposals of mine are of a tentative nature. Other people who agree in principle about Common Ownership may have entirely different and far better ideas. If there are better ideas, then we can adopt them. But even if there are no better ideas, either in principle or in detail, I hope it is clear that we can preserve a richly varied Press, reasonably open to all shades of opinion, and, if not perfect, then at least less open to obvious objection than the Press which we enjoy today.

<sup>1</sup> As a matter of fact it is almost certain that the Council will choose to act through sub-committees which will serve localities and specialised departments of journalism. But the "five in twenty-five" rule will have to apply to these as well as to the Council itself.

It is not worth forecasting in detail the somewhat similar organisation which might be adopted for the B.B.C., though the fact that public opinion was able to prevent the two governors who represented, if anything, the rather less desirable elements in Government opinion from banning the "People's Convention" speakers indicates that, taking it by and large, there is nothing fundamentally wrong with the present organisation. Nor need we here describe in detail how we would ensure that such other powerful means of persuasion as the film and the stage would be made available, or at any rate more available than they are now, to every substantial shade of opinion. The fact is that if we desire these things to be achieved, we can achieve them.

## APPENDIX II

### TWO TASKS REQUIRING THE EARLIEST ATTENTION

I SAID in Chapter Seven that it would be for the Cabinet and Parliament to make the major plan for the division of our total resources amongst the different tasks which will demand our attention. It is not the business of a single author to make any forecast of the complete shape of the final plan. But I must take the opportunity which this book affords me of stressing the importance of two particular projects.

We should destroy our Labour Exchanges and build something better. And we should establish a complete Motherhood Service at the earliest possible moment.

After all, it will be through the doors of the local branches of the Ministry of Man-Power that we shall find our place in the most exciting adventure in our history. These buildings should therefore be on the very best sites in our towns. And the best of our young architects should let themselves go in planning something internally and externally appropriate to the very high functions which these buildings will have to perform. If one tenth of the money spent on the hideous and extravagant architecture of superfluous banks had been invested in attractive and efficient Labour Exchange buildings, we would not have so much difficulty now with the registration of people who have not been accustomed to find their work through these sordid structures.

A complete Motherhood Service consists very largely, of course, in a trained personnel to give advice and assistance to mothers. There is no doubt that we shall have to increase the

number of those who are qualified to do so. But in order that they may do their work they must have clinics, crèches and nursery schools.

The Motherhood Service is necessary for two reasons. It is work which yields the community a very high "rate of interest". Whatever work we do will give us something which we need. If we work to build a library, we get a library, and this is good. If we work to build a nursery school, we get a nursery school, and this again is good. But the provision of nursery schools and crèches at the earliest possible moment, though it does not compel mothers to send their children to these schools if they would prefer to keep them at home, releases thousands and thousands of active young women and enables them to take their part in the next stage in the development of our country.

But there is a yet more important reason for the immediate provision of a Motherhood Service. I am not an enthusiast for big population for the sake of big population, and I think these islands of ours could maintain a happier and a better population, could make a greater contribution to the common well-being of the world, if our population were somewhat smaller than it is now. But the fact is that unless present tendencies are reversed soon, our population is bound to decrease out of all knowledge within the next hundred years or so. This is not a probability or a possibility; it is an absolute certainty.

Moreover, this is not something which can be remedied at the last moment. You cannot suddenly increase the number of your adult population as you can suddenly increase the number of your Spitfires. The number of grown-up men and women in the country today depends on the number of babies that were born twenty to sixty years ago. And this in its turn depends on the number of mothers who were born forty and a hundred years ago. We can do absolutely nothing now which will provide us with one extra twenty-one-year-old man or woman in 1962. We already know how many



twenty-one-year-old women there will be in 1962 (subject to such slight improvement as we may be able to make by our attacks upon ill-health and accidents). We already know that even if the average potential mother of 1962 bears substantially more children than the average mother of the present day, there will not be enough mothers in 1962 to maintain our population at its present level.

This in itself will not be disastrous, because the fall in population which we can forecast between 1960 and 1990 is not a very serious one, and if we act in time we can prevent the disastrous fall in population which will otherwise take place between 1990 and 2040.

But we must act in time. We must break down the present antipathy to parenthood which, if it continues, will reduce our population to a point so low that as a people we could not hope to make our proper contribution to the well-being of humanity.

This, we may hope, will in a very large measure be accomplished by the mere fact of changing over to Common Ownership. It cannot be denied that fear of insecurity and unemployment has been a powerful inducement to small families, and indeed to childless marriages. So has the constant urge to struggle for a higher standard of material living as an index of success. Throughout a very important section of the community the possession of a car indicates that a certain stage up the social ladder has been reached, and possession of a pram is very often inconsistent with possession of a car. This kind of thing will be very substantially swept away under Common Ownership.

But we cannot rely on the changed atmosphere alone to do our work for us. We must take positive action.

It has already been suggested that mothers shall receive an income covering the cost of bringing up children. This will mean that women who desire to devote themselves exclusively to their house and home will be able to do so without falling into poverty. But there are many women who earnestly de-

sire to make a further contribution to the affairs of humanity. Nazism says that this is all wrong. Nazism insists that the exclusive function of women is to be the mothers and wives of men (or of course the mothers of women whose functions are, once again, those of wives and mothers of men). Our answer must surely be the opposite of this. We really need not fear that mothers will cease to care for their children,—and mothers cannot care for their children without giving substantial time to their task. This means that mothers will never be able to work for as many hours in the year as men or unmarried or childless women. But in view of the fact that we need more children and must reject the Nazi solution, we are bound to do everything in our power to withdraw from women the threat, “Either bear children and get out of the work of the world, or take part in the work and remain childless.”

### APPENDIX III

## UNEMPLOYMENT IS IMPOSSIBLE

PRIVATE ownership is the root cause of unemployment.

Under private ownership no man is employed unless a private individual employs him. Now, there may be exceptional cases (as, for example, when men are employed at a loss for short periods in the hope of better times), but in general it must surely be conceded that no private employer gives employment to a man or to a group of men unless he sees in their employment a chance of making a profit for himself.

Now, let it be supposed that there are a hundred unemployed men, and that someone is considering whether or not to employ them. He makes his calculations, and he concludes that the total additional cost of employing them—their wages, the raw materials, the additional overheads, etc.—will amount to £500 per week. He also calculates that their employment will add £450 per week to the sale price of his products. This leaves him with a loss of £50 per week. Now, if he is a philanthropist it can happen that he will none the less employ the men, at any rate until his bank manager stops him. But in the usual case he will not employ the men. Thus the individual employer is saved from the loss of £50 per week. But we, the community, are thereby forced to incur a loss equal to £450 minus the value of the raw material, etc., which these men would have used. Or in the alternative we must at the every least suffer the loss of about £150—the cost of maintaining them in idleness.

We must surely know from the very first principles that a man who is not working at all must inevitably be making a

smaller contribution to the well-being of the community than the man who is working. But under private ownership we cannot make any use of this knowledge, because the loss which is incurred by his not working will fall on the community, while the "loss" which may be involved when a private individual has to pay him to work will fall on the individual; and under private ownership it is the individual who has the power of deciding whether the man shall work or not. Once the organisation which must pay the man for doing nothing is the same as the organisation which will pay him for doing something, then for the first time we can make use of the fact that doing something is always more useful than doing nothing.

It will then be asked whether, under Common Ownership, we propose to employ some men "at a loss". In the sense in which those words are used in capitalist society, we most certainly do. In a modern community which rightly insists that equal skill and equal needs shall receive equal rewards, it is absolutely inevitable that some men should be employed "at a loss" if all men are to be employed. And it is precisely because Common Ownership can and private ownership cannot employ men "at a loss" that the former solves with ease a problem which the latter finds permanently insoluble.

Let us try to make legitimate simplifications in our problem. Let us consider two teams of, say, 100 men. These teams include unskilled workers, skilled workers, foremen, technicians, and managers.

Now we are naturally going to make our factories as efficient as we can. But all the same it must at all times be true that of all the factories that are in use in any industry one will be technically the best equipped, and one will be technically the least well equipped. Now the first of our teams goes into the former and the second goes into the latter. It simply must happen that the first team produces more goods than the second. But there is no merit in having gone into the best

factory and no blame attached to having gone into the worst. Therefore we reward these two teams equally. We give to each the average of the values which the two teams create. If one team (after taking everything into account) adds £500 per week to the value of the materials it handles, while the other team adds £300, then we give both teams £400. We give them £400 as their wages. In other words, it costs us £400 to employ them. It costs us £400 to employ the team in the worst factory. But they add only £300 to the value of the goods they handle—i.e., only £300 to the national income. Therefore they are employed “at a loss”. Therefore private enterprise could not have employed them. But Common Ownership can employ them.

It is true that they are consuming more than they produce. But they are producing something. They are making a net addition to our communal wealth. If they were not employed the communal wealth would be smaller—and this smaller communal wealth would have to be reduced yet further by the necessity of giving them something to maintain themselves in idleness. Therefore if they did not work, not only would they receive less, but everyone else would receive less.

Therefore Common Ownership can employ them. Naturally Common Ownership will fill the most efficient factories first. Some factories will be so inefficient that we shall not be able to find any use for them. But if we find that we have men unemployed, then we shall simply consider in which factory they can best be employed. In this factory they will be making a smaller additional contribution to the communal wealth than the men who are already working in the most efficient factories. But they will be making an addition. Therefore they will be employed.

All this arises from the simple fact that a man cannot be less useful when he is doing something than when he is doing nothing.

The word "factory" in this argument must be taken both literally and figuratively. Some of the men will, of course, be employed in factories. But others will be employed on farms, railways, road-making, shops, and all the other resources of the community. It would have unnecessarily encumbered my argument if I had added all these words every time I used the word "factory".

And this explanation contains the answer to the objection which might be made by a critic who would say, "It is all very well talking about 'just putting them into the next factory', but what happens if you have no raw materials for them? You may be employing them not only 'at a loss' in the capitalist sense of the word, but also at a dead loss to the community. For they may be using ineffectively some of the raw material which some other factory could have used more effectively."

It is, of course, perfectly true that we may find men unemployed and may not be able to give them what would at first sight seem the most useful employment. There may be a closed boot factory in their neighbourhood, but we may have no leather to spare from the more efficient factories already producing boots. This, of course, will be a pity, and we shall have to set about producing or importing more leather. But in the meantime we cannot be utterly frustrated. There must always be something which men can do which is more useful than doing nothing. It is partly for this reason that I have suggested that the Ministry of Man-Power should reserve a pool of postponable work of such a nature as could be undertaken by men of little skill with relatively simple tools. But consider the worst case of all. Assume no materials and no tools. Even in that case a man can be asked to weed the municipal tennis lawn, and though this may not be very useful, it still remains more useful than doing nothing at all. *There can be no circumstances in which we cannot offer a man something to do.*

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